THE BIOTECH GROWTH TRUST PLC

ANNUAL REPORT

for the year ended 31 March 2025

Frostrow CAPITAL

orbimed

For more information about The Biotech Growth Trust PLC visit the website at

www.biotechgt.com

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THE BIOTECH GROWTH TRUST PLC

The Biotech Growth Trust PLC seeks capital appreciation through investment in the worldwide biotechnology industry.

In order to achieve its investment objective, the Company invests in a diversified portfolio of shares and related securities in biotechnology companies on a worldwide basis.

Further details of the Company's investment policy are set out on pages 27 and 28.

ORBIMED CAPITAL LLC – PORTFOLIO MANAGER

OrbiMed's investment business was founded in 1989 with a vision to invest across the spectrum of healthcare companies: from venture capital start-ups to large multinational companies.

Beginning with its first public equity fund in 1989, OrbiMed expanded to include long/short equity and private equity investments in 1993. On 19 May 2005 OrbiMed was appointed as the Company's Portfolio Manager. In 2007 OrbiMed expanded to Asia, opening offices in Mumbai and Shanghai, and launching a fund focused on private equity healthcare opportunities in China and India. In 2010 OrbiMed expanded to the Middle East, opening an office in Israel to seek innovative life sciences venture capital opportunities across the region. In May 2023, OrbiMed opened an office in London to provide local support for its network of European portfolio companies and to seek private and public equity investments.

Today, OrbiMed has a singular focus on seeking successful investments on a worldwide basis across the entire spectrum of private and publicly-traded life sciences companies. With approximately U.S. $17 billion under management, OrbiMed ranks as one of the world's largest healthcare-dedicated investment firms.

OrbiMed's investment professionals possess a combination of extensive scientific, medical and financial expertise.

HOW TO INVEST

The Company's shares are traded on the London Stock Exchange and can be purchased through a stock broker or other financial intermediary. The shares are available through savings plans (including investment dealing accounts, ISAs, Junior ISAs and SIPPs) which facilitate both regular monthly investments and lump sum investments in the Company's shares. There are a number of investment platforms that offer these facilities. Further details can be found on page 104.

FINANCIAL HIGHLIGHTS

as at 31 March 2025

815.9p
Net asset value per share*
2024: 1,078.9p

754.0p
Share price
2024: 995.0p

£221.2m
Shareholders' funds*
2024: £361.3m

(24.4%)
Net asset value per share (total return)^
2024: 26.5%

(24.2%)
Share price (total return)^
2024: 27.1%

(6.0%)
Benchmark†
2024: 5.0%

7.6%
Discount of share price to net asset value per share^
2024: 7.8%

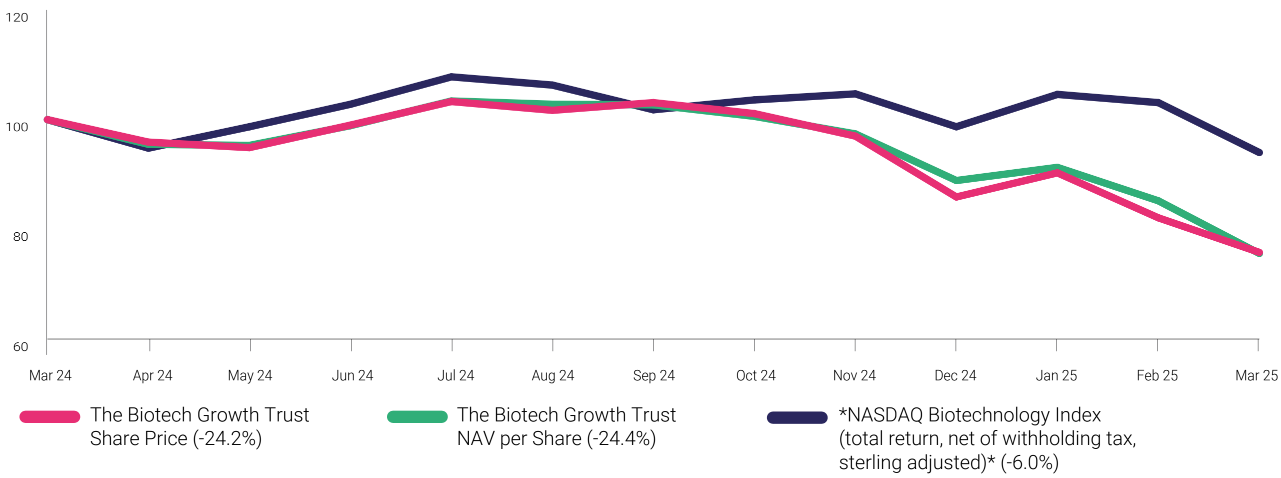
1.1%
Ongoing Charges^
2024: 1.2%

73.0%
Active Share^**
2024: 66.6%

* IFRS Measure
^ Alternative Performance Measure (see glossary beginning on page 100)
† NASDAQ Biotechnology Index (total return, net of withholding tax, sterling adjusted)
** Source: Morningstar

TOTAL RETURN PERFORMANCE

for the year to 31 March 2025



Figures have been rebased to 100 as at 31 March 2024.
Source: Frostrow Capital LLP
* The benchmark was changed to the total return, net of withholding tax version of the index effective 1 October 2024, prior to that date, the capital return was used.

CHAIR'S STATEMENT

ROGER YATES

INTRODUCTION AND RESULTS

During the year ended 31 March 2025, the Company's net asset value (NAV) per share declined by 24.4% (2024: +26.5%), underperforming the NASDAQ Biotechnology Index (total return, net of withholding tax, sterling adjusted) (the Benchmark), which fell by 6.0% (2024: +5.0%).

The first half of the year showed promising signs of recovery, supported by favourable interest rate decisions in the U.S. and notable clinical developments, leading to a modest outperformance against the Benchmark. However, the latter half of the year was marked by unexpected market disruptions, including political shifts following the U.S. presidential election and regulatory concerns stemming from appointments within the U.S. Department of Health and Human Services.

Investor sentiment weakened further due to inflationary pressures, uncertainty around Federal Reserve policies, and proposed pharmaceutical tariffs. These factors collectively drove biotech valuations to an all-time low, disproportionately impacting the Company's small and mid-capitalisation holdings, and in particular the development stage biotech companies in the portfolio.

In response to the heightened volatility and market uncertainty, our Portfolio Manager reduced our gearing from 9.1% at the start of the year, so that the Company was ungeared at the end of the year. Gearing detracted 1.6% from the Company's NAV total return during the year.

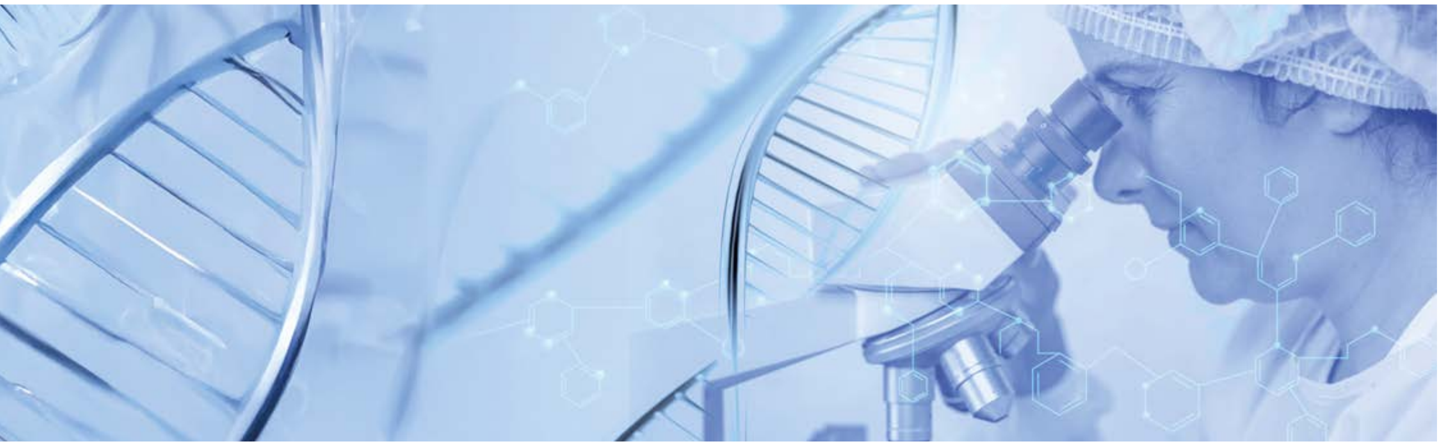
The Company has not invested in any new private companies during the year and at the year end, private investments comprised only 1.0% of the portfolio.

The majority of the Company's assets are denominated in U.S. dollars with the result that the Company's NAV performance in sterling was negatively affected by the headwind of sterling strength during the year, particularly against the U.S. dollar, with the average exchange over the period being $1.28, some 1.6% stronger than the previous year's average of $1.26.

The Company has maintained a small exposure to Chinese biotechnology companies. The challenging macroeconomic, geopolitical, and regulatory landscape has kept valuations of Chinese biotech companies subdued. However, our Portfolio Manager sees China emerging as a key hub for biotech innovation and productivity, with the Chinese government's prioritisation of the sector presenting a compelling investment opportunity. OrbiMed's teams in Shanghai and Hong Kong are well placed to discover, research and conduct due diligence on Chinese companies. Chinese investments represented 9.0% (2024: 7.7%) of the NAV at the year end.

It is frustrating that, after a difficult period, our Portfolio Manager's investment strategy had started to yield results, only for macroeconomic developments to derail the recovery. The Board acknowledges that recent performance has been disappointing and is committed to ensuring that appropriate measures are taken to address the challenges we face. As part of our ongoing oversight, we have engaged extensively with the Portfolio Manager and will soon make our biennial visit to their offices in New York to gain deeper insight into their strategic approach and to meet with a broader cross-section of the investment team. While we continue to rigorously challenge their strategy and execution, we ultimately maintain our confidence in their expertise and believe that, with time, their approach will deliver improved outcomes for shareholders.

Our confidence is reinforced by our portfolio which encompasses a diverse selection of biotech companies developing groundbreaking and high-potential technologies. I encourage you to read OrbiMed's Review, beginning on page 10, to find out more about the key investment themes and the pioneering companies driving innovation in each area.



CAPITAL STRUCTURE

The Company's share price total return was -24.2% (2024: +27.1%). The share price discount to the NAV per share narrowed marginally from 7.8% at the start of the Company's financial year to 7.6% at the year end. The Company's shares traded at a discount throughout the year, leading to the repurchase of 6,374,607 shares, at an average discount of 8.7% to the Company's cum income NAV per share at the time, at a total cost of £57.4 million. Buying back these shares at a discount generated an uplift of 1.9% to the NAV over the year, which is in excess of our annual operating expenses.

Shareholders will be aware that the Company pursues an active discount management policy, buying back shares when the discount of the Company's share price to its NAV per share is higher than 6% (under normal market conditions). In February 2025, reflecting both the overall quantum of buybacks and the Board's commitment to the policy, the Company held a General Meeting to renew shareholder authority to buy back shares when it became clear that the authority granted at the Annual General Meeting (AGM) in 2024 would be exhausted before the 2025 AGM.

The proposal was approved by shareholders with over 99% of the votes received in favour of the renewal. Therefore the Company has been able to continue the operation of the discount management policy. Since the renewed authority will expire at the conclusion of the Company's forthcoming AGM, in line with usual practice the Company will ask shareholders to renew the authority again at the AGM in July.

At the year end there were 27,112,591 shares in issue and the share price traded at a 7.6% discount to the cum income NAV per share. As we have previously commented, the shares can trade at a discount wider than 6% for a period, particularly in volatile or muted markets such as those we have experienced recently. However, the Company remains committed to protecting a 6% share price discount over the longer term. Since the year end, a further 883,594 shares have been bought back for cancellation and at the time of writing the share price discount stands at 8.5%.

CAPITAL REDUCTION

The Company has built up a substantial share premium account (£79.9 million) owing to historic share issuance and a capital redemption reserve (£16.7 million) from share buybacks. These accounts are non-distributable. The Companies Act 2006 permits the Company to cancel the share premium account and the capital redemption reserve and transfer the amounts so cancelled to a special distributable reserve following approval by shareholders and the High Court of Justice in England and Wales. The creation of a special distributable reserve will mean that it can be used in the future, if required, to fund share buybacks or other distributions to shareholders/returns of capital in accordance with applicable law. The cancellation will therefore provide the Company with more flexibility in how capital may be returned in the future.

Accordingly, the Board is proposing Special Resolution 12 at the forthcoming AGM, which seeks shareholder approval to cancel the amount standing to the credit of the current share premium account and the capital redemption reserve, following which the Company will make an application to the Court to obtain its approval of the cancellation and the creation of an equivalent distributable reserve.

RETURN AND DIVIDEND

The revenue return per share was 0.0p (2024: 0.3p). This reflects the low yield generated from the biotechnology sector and, in particular, the small and mid-capitalisation companies in this sector that comprise much of the portfolio.

As a result, no dividend is recommended in respect of the year ended 31 March 2025 (2024: nil).

CHAIR'S STATEMENT CONTINUED

BOARD CHANGES

In September we were delighted to announce the appointment of Julie Tankard as a non-executive director. Julie will succeed Julia Le Blan as Chair of the Audit Committee following Julia's retirement at the conclusion of the forthcoming AGM. Lord Willetts has also come to the end of his tenure and will retire at the AGM. In implementing its succession strategy, the Board is in the advanced stages of recruiting a replacement. We will make the appointment later this year in order to facilitate a smooth and staggered rotation of Board members in the future.

On behalf of the Board, I would like to extend our sincere gratitude to Julia for her outstanding service as Chair of the Audit Committee. Throughout her tenure, Julia has demonstrated exceptional dedication, integrity, and expertise, playing a vital role in maintaining the Board's rigorous financial oversight and governance. We also express our appreciation to David for his invaluable contributions during his time on the Board. As a distinguished political figure with a strong commitment to life sciences, David has brought unique insights and understanding of policy and innovation in the sector to the Board.

We extend our best wishes to Julia and David in their future endeavours and thank them for their lasting impact on the Company.

PERFORMANCE FEE

There is currently no provision within the Company's NAV for any performance fee payable at a future calculation date. The arrangements for performance fees are described in detail on page 51 of this Annual Report but I would highlight that it is dependent on the long-term outperformance of the Company: any outperformance has to be maintained for 12 months after the relevant calculation date and only becomes payable to the extent that the outperformance gives rise to a total fee greater than the total of all performance fees paid to date. This ensures that a performance fee is not payable for any outperformance that contributes to recovery of prior performance.

CONTINUATION OF THE COMPANY

The Company's articles of association provide that every five years there will be a continuation vote at the AGM. Accordingly, a resolution seeking shareholders' approval for the Company to continue as an investment trust is included in the Notice of AGM beginning on page 105 of this Annual Report.

The Board firmly believes that it is in the best long-term interests of shareholders to vote in favour of the continuation of the Company, despite its recent underperformance. While acknowledging the challenges faced by the Company, we remain confident in the underlying fundamentals and long-term prospects of the sector in which we invest. Recent market conditions have been particularly challenging, but there are clear indications of recovery and growth potential that we are well-positioned to capture.

As the Company's performance has been particularly volatile in the last year, should shareholders vote in favour of the Company's continuation in July, the Board will propose a one-off, interim continuation vote at the AGM in 2028, two years before the next regular vote is scheduled. This additional vote will provide an earlier opportunity for shareholders to reassess the Company's progress and determine whether the Portfolio Manager's investment strategy – based on the anticipated recovery in the biotech sector – is delivering the expected results.

In the meantime, I would highlight that the Company's discount management policy enables shareholders to realise their investment at a relatively small discount to NAV at any time.

We encourage shareholders to support the continuation of the Company as we navigate this challenging phase for the sector, upholding strong governance to protect shareholder interests and pursuing improved returns as market conditions evolve.

ANNUAL GENERAL MEETING

The Company's AGM will be held at the Barber-Surgeons' Hall, Monkwell Square, Wood St, Barbican, London EC2Y 5BL on Thursday, 17 July 2025 at 12 noon. As well as the formal proceedings, there will be an opportunity for shareholders to meet the Board and the Portfolio Manager, and to receive an update on the Company's strategy and its key investments.

I very much look forward to seeing as many shareholders as possible. For those investors who are not able to attend the meeting in person, a video recording of the Portfolio Manager's presentation will be uploaded to the website after the meeting. Shareholders can submit questions in advance by writing to the Company Secretary at info@frostrow.com.

I encourage all shareholders to exercise their right to vote at the AGM. The Board strongly encourages shareholders to register their votes online in advance. Registering your vote in advance will not restrict you from attending and voting at the meeting in person should you wish to do so, but ensures your vote is registered if you are no longer able to attend on the day. The votes on the resolutions to be proposed at the AGM will be conducted on a poll. The results of the proxy votes will be published immediately following the conclusion of the AGM by way of a stock exchange announcement and on the Company's website: www.biotechgt.com.

OUTLOOK

The biotech sector continues to be a dynamic and rapidly evolving space, with developments in science and technology translating into groundbreaking clinical advancements and innovations which are reshaping the future of healthcare. The sector presents compelling investment opportunities, reinforcing our confidence in its long-term growth potential.

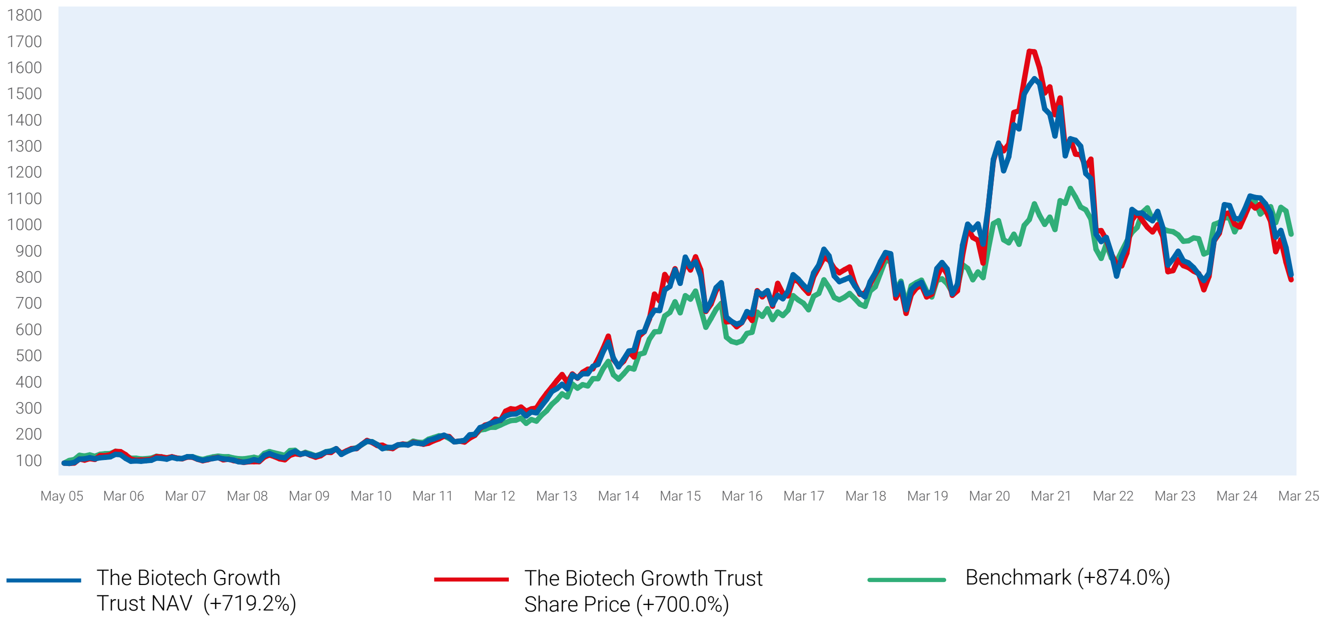
In the short term, macroeconomic and geopolitical uncertainties, including trade tensions, regulatory developments, and general market volatility, will present challenges. In addition, these broader economic conditions may adversely influence investors' risk appetites. Despite these risks, we remain optimistic about the sector's ability to generate long-term value through scientific and technological breakthroughs.

Roger Yates
Chair
3 June 2025

COMPANY PERFORMANCE

PERFORMANCE SINCE THE DATE OF APPOINTMENT OF ORBIMED CAPITAL LLC AS PORTFOLIO MANAGER

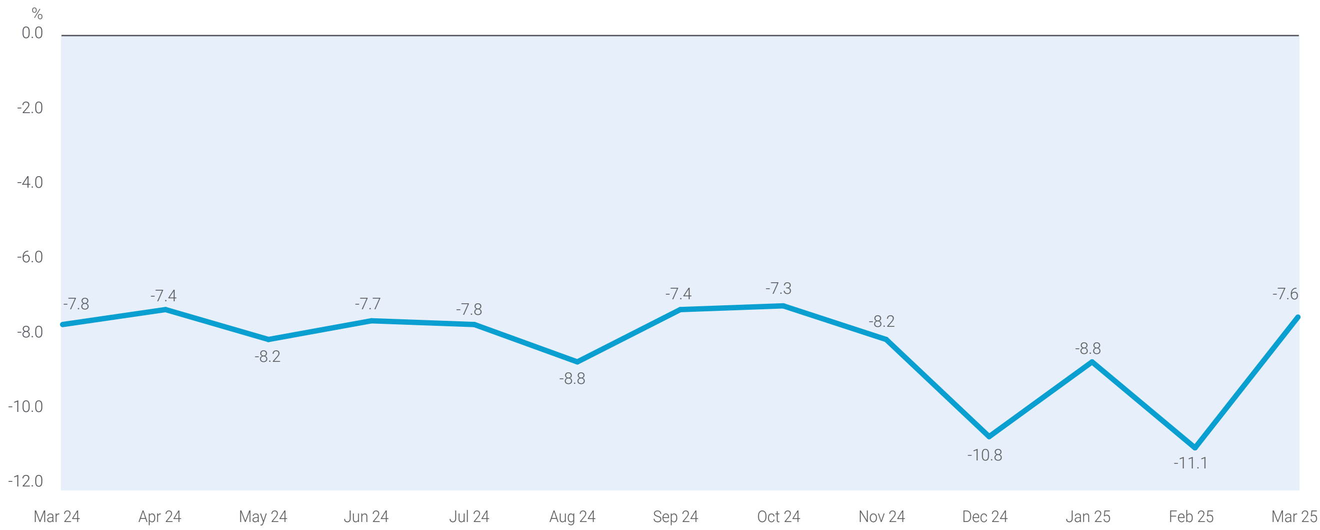
to 31 March 2025



Figures have been rebased to 100 as at 19 May 2005.
Source: Frostrow Capital LLP.

SHARE PRICE DISCOUNT TO THE NAV PER SHARE

to 31 March 2025



The discount of the Company's share price to the net asset value per share at 31 March 2025 stood at 7.6% (2024: 7.8%).
Source: Frostrow Capital LLP.

HISTORIC PERFORMANCE FOR THE FIVE YEARS ENDED 31 MARCH

	2021	2022	2023	2024	2025
Net asset value per share total return*^	55.1%	(33.8%)	(11.0%)	26.5%	(24.4%)
Share price total return*^	75.2%	(37.0%)	(12.8%)	27.1%	(24.2%)
Benchmark return	25.1%	(7.4%)	5.4%	5.0%	(6.0%)
Net asset value per share	1,446.4p	957.8p	852.6p	1,078.9p	815.9p
Share price	1,426.0p	898.0p	783.0p	995.0p	754.0p
Discount of share price to net asset value per share^	1.4%	6.2%	8.2%	7.8%	7.6%
Ongoing charges (excluding performance fees)^	1.1%	1.1%	1.1%	1.2%	1.1%
Gearing/(net cash)^	6.8%	8.4%	7.8%	9.1%	(3.8%)

* Source: Frostrow Capital LLP
^ Alternative Performance Measure (see glossary beginning on page 100).

FIVE YEAR PERFORMANCE

to 31 March 2025

Figures have been rebased to 100 as at 31 March 2020.
Source: Frostrow Capital LLP.

INVESTMENT PORTFOLIO

INVESTMENTS HELD AS AT 31 MARCH 2025

Security	Country/Region #	Fair value £'000	% of investments
Argenx*	Netherlands	17,602	8.1
Gilead Sciences	USA	17,137	7.8
Neurocrine Biosciences	USA	11,671	5.3
Amgen	USA	10,666	4.9
CG oncology	USA	9,612	4.4
Avidity Biosciences	USA	9,312	4.3
Alnylam Pharmaceuticals	USA	9,181	4.2
Akeso	China	8,741	4.0
Tarsus Pharmaceuticals	USA	8,674	4.0
Xenon Pharmaceuticals	Canada	8,300	3.8
Ten largest investments		**110,896**	**50.8**
Amicus Therapeutics	USA	7,266	3.3
Ionis Pharmaceuticals	USA	6,550	3.0
Vertex Pharmaceuticals	USA	6,120	2.8
Axsome Therapeutics	USA	5,786	2.6
Cytokinetics	USA	5,299	2.5
Compass Therapeutics	USA	5,257	2.4
Vir Biotechnology	USA	4,578	2.1
Edgewise Therapeutics	USA	4,528	2.1
Rhythm Pharmaceuticals	USA	4,404	2.0
Tyra Biosciences	USA	4,171	1.9
Twenty largest investments		**164,855**	**75.5**
Scholar Rock Holding	USA	3,788	1.7
Agios Pharmaceuticals	USA	3,697	1.7
Dyne Therapeutics	USA	3,501	1.6
Krystal Biotech	USA	3,277	1.5
Forte Biosciences~	USA	3,238	1.5
Immatics	Germany	2,510	1.2
Cullinan Therapeutics	USA	2,441	1.1
Exact Sciences	USA	2,430	1.1
Structure Therapeutics	USA	2,319	1.1
ADC Therapeutics	Switzerland	2,312	1.1
Thirty largest investments		**194,368**	**89.1**
Akero Therapeutics	USA	2,214	1.0
C4 Therapeutics	USA	2,157	1.0
Insmed	USA	1,692	0.8
Corbus Pharmaceuticals Holdings	USA	1,623	0.7
Instil Bio	USA	1,554	0.7
Trevi Therapeutics	USA	1,288	0.6
Engene Holdings	Canada	1,281	0.6
Nkarta	USA	1,171	0.5
SpringWorks Therapeutics	USA	1,033	0.5
Amylyx Pharmaceuticals	USA	952	0.4
Forty largest investments		**209,333**	**95.9**
New Horizon Health**	China	920	0.4
OrbiMed Asia Partners**†	Asia	893	0.4
Vera Therapeutics	USA	781	0.4
Suzhou Basecare Medical	China	745	0.4
Kezar Life Sciences	USA	706	0.3
Bicara Therapeutics	USA	667	0.3
Enliven Therapeutics	USA	631	0.3
Zai Lab	China	596	0.3
Korro Bio	USA	434	0.2
Fate Therapeutics	USA	420	0.2
Fifty largest investments		**216,126**	**99.1**

Security	Country/Region #	Fair value £'000	% of investments
Alto Neuroscience	USA	418	0.2
Gracell Biotechnologies CVR**^	China	381	0.2
LakeShore Biopharma	China	245	0.1
Prelude Therapeutics	USA	206	0.1
Repare Therapeutics	Canada	38	–
StemiRNA Therapeutics**	China	–	–
Imara**	USA	–	–
Total investments		**217,414**	**99.7**
OTC equity swaps – financed			
Swaps	China	8,286	3.8
Less: Gross exposure on financed swaps		(7,541)	(3.5)
Total OTC Swaps		**745**	**0.3**
Total investments including OTC Swaps		**218,159**	**100.0**

All of the above investments are equities unless otherwise stated. Please refer to the glossary for a definition of financed swaps.
Primary listing
* Includes Argenx ADR (see glossary) amounting to £11,180,000
~ Includes Forte Warrants £2,704,000
** Unquoted
† Partnership interest
^ Contingent Value Right (see glossary beginning on page 100)

PORTFOLIO BREAKDOWN

Investments	Fair value £'000	% of investments
Quoted		
Equities	215,220	98.7
	215,220	98.7
Unquoted		
Equities	1,301	0.6
Partnership interest	893	0.4
	2,194	1.0
Derivatives		
OTC equity swaps	745	0.3
Total investments	**218,159**	**100.0**

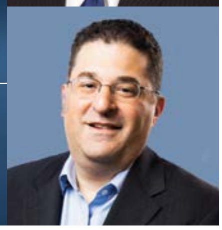
PERFORMANCE ATTRIBUTION FOR THE YEAR ENDED 31 MARCH 2025

Contribution to total returns	%	%
Benchmark return		(6.0)
Portfolio Manager's contribution		(17.6)
Portfolio total return		**(23.6)**
Gearing	(1.6)	
Management fee and other expenses	(1.1)	
Share buybacks	1.9	
Total		**(0.8)**
Return on net assets		**(24.4)**

PORTFOLIO MANAGER'S REVIEW

GEOFF HSU

JOSH GOLOMB



PORTFOLIO MANAGER'S REVIEW

The Company's NAV per share declined 24.4% during the fiscal year ended 31 March 2025, compared to a 6.0% decrease for the Company's benchmark, the NASDAQ Biotechnology Index, measured on a total return, net of withholding tax, sterling adjusted basis (the Benchmark, NBI or Index).

Despite this performance, our conviction in superior returns for the Company going forward is as high as ever, based on unprecedented low valuations, continued strong innovation in the sector, an even more constructive Food and Drug Administration (FDA) regulatory environment, and an expected reacceleration in merger and acquisition (M&A) activity.

Macro factors continued to have an outsized influence on the performance of the Company during the fiscal year, despite these strong industry fundamentals. The first half of the fiscal year witnessed a gradual recovery in biotech valuations consistent with our expectations, but unexpected turbulence in the aftermath of Donald Trump's election in November cut the recovery short and caused a significant drop in share prices in the second half of the fiscal year.

The fiscal year began with a pullback in valuations in April 2024 due to stronger-than-expected inflation reports that reduced investor expectations for interest rate cuts by the Federal Reserve (the Fed). Bond yields continued to rise in May, with several of the Company's larger positions retracing gains that month. However, the Company's performance recovered in June as a result of several high-profile clinical developments that buoyed investor interest in the biotech sector. Sector outperformance continued in July as investors began pricing in expectations for a near-term Fed interest rate cut. August saw the biotech sector move sideways as a weaker-than-expected U.S. jobs report increased the risk of a recession, offset by increasing expectations of a Fed rate cut in September. In September, the Fed finally announced a long-awaited interest rate cut of 50 basis points. Our expectation at the time was that this represented the start of an interest rate cutting cycle that would catalyse the long-awaited recovery in small and mid-capitalisation (cap) biotech. The Company finished the first six months of the fiscal year with the NAV up 2.7% versus a 1.4% increase in the Benchmark.

Unfortunately, the second half of the fiscal year brought a number of surprises that derailed the nascent biotech recovery. In October, a strong employment report and a higher-than-expected inflation reading sent 10-year U.S. government yields higher as investors reduced their expectations for the pace of future interest rate cuts by the Fed. Subsequently, in November, President-elect Trump's nomination of Robert F. Kennedy Jr to run the Department of Health and Human Services (HHS) catalysed a widespread sell-off across the healthcare sector, including biotech. Kennedy is a noted vaccine sceptic and has embraced controversial views about certain drugs in the past. Investors became concerned that the FDA would become less science-based and that regulatory hurdles for the industry might increase. Those fears were somewhat mitigated by the nomination of Dr. Martin Makary, a prominent surgeon, as FDA Commissioner. He is generally regarded as a science-based physician with less extreme views than Kennedy.

In December, the Fed cut interest rates by a quarter point but also said it anticipated fewer rate cuts in 2025 than investors were expecting given the continued strength of the U.S. economy. The hawkish Fed commentary, coupled with expectations that Trump's tariff policies would be pro-inflationary, sent 10-year government yields upward in December, pressuring biotech share price performance.

In January, the biotech sector had a strong month as three biotech M&A transactions were announced, including Johnson & Johnson's $14.6 billion acquisition of Intra-Cellular Therapies at a 39% premium. Intra-Cellular Therapies was held in the portfolio at the time of the acquisition announcement. That exuberance was short-lived, as February and March were especially difficult months for the biotech sector. In February, continued inflation concerns, heightened anxiety over tariffs, and a decline in consumer confidence led to a pull-back in the general markets. Investor risk aversion towards biotech increased with the confirmation of Robert F. Kennedy, Jr. as the new Secretary of HHS. In addition, job cuts at HHS precipitated by the Trump administration's cost-cutting Department Of Government Efficiency (DOGE) initiative increased investor worries that potential FDA staffing cuts could lead to delays in drug approvals. These fears had an outsized negative impact on pre-revenue biotech companies that have yet to have their lead drugs approved by the FDA. Additionally, the Trump administration warned drugmakers that he intended to institute tariffs on pharmaceuticals manufactured overseas in order to incentivise them to move their manufacturing to the U.S.

While biotech is largely insulated from the impact of tariffs, the prospect of potential tariffs still diminished investor enthusiasm for the biopharmaceutical sector generally. The month of March brought further weakness in the broader markets due to concerns about President Trump's tariff policies and a possible economic slowdown in the U.S. FDA staffing cuts and the departure of some senior agency officials caused investor fears about potential drug approval delays to persist.

A constellation of macro factors—persistently elevated 10-year interest rates, a slower-than-expected pace of Fed interest rate cuts, and concerns about U.S. economic growth given Trump's tariff policies—coupled with some healthcare-specific macro factors—staff cuts at the FDA, the prospect of pharmaceutical tariffs, and the appointment of an HHS head that some regard as not science-based—has collectively driven biotech valuations once again to record lows.

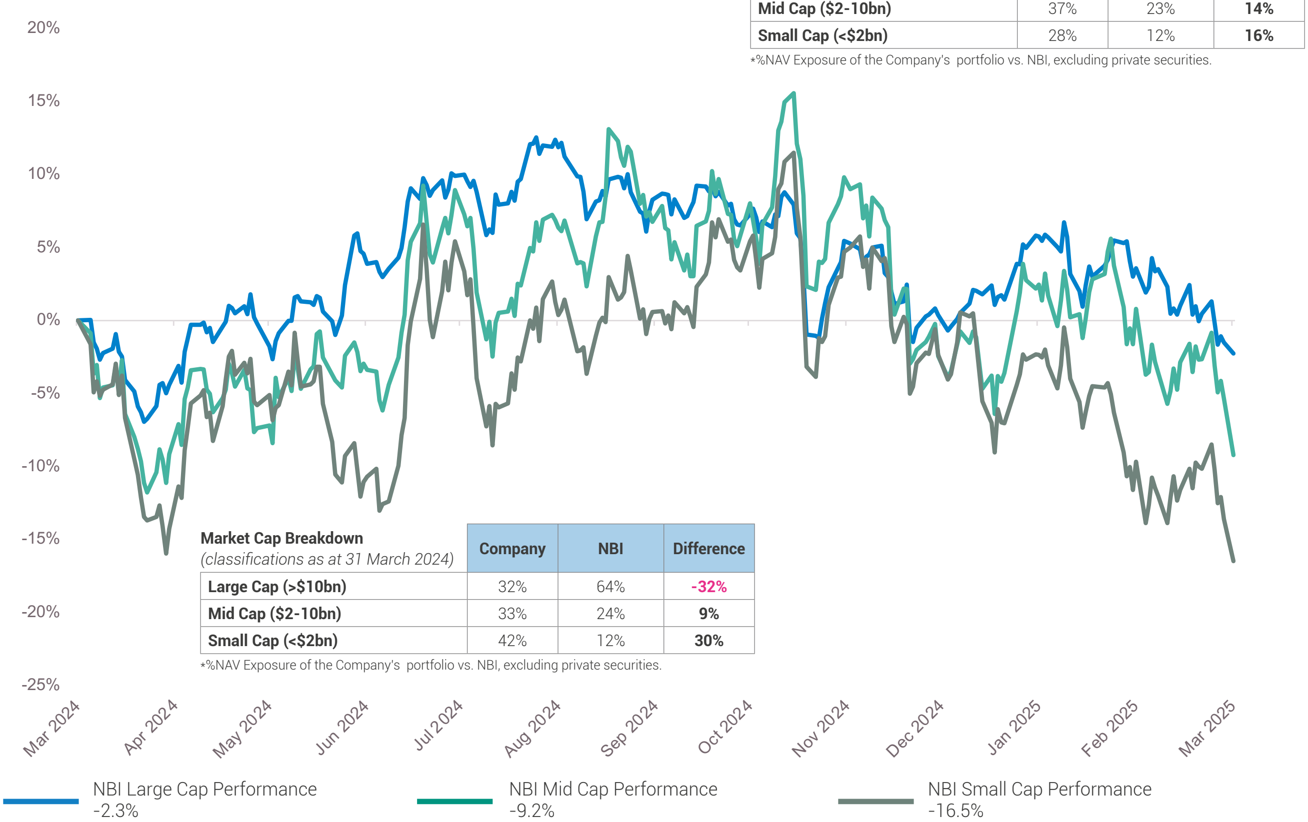
The portfolio, which is overweight small and mid-cap companies relative to the Benchmark, was hit especially hard by these recent developments. We cut our leverage down to close to zero in February and March to help manage through the general market volatility. Figure 1 shows the average performance of stocks in the Benchmark classified into three market cap categories: large-cap, mid-cap, and small-cap. Mid-cap and small-cap stocks significantly underperformed large-cap stocks during the fiscal year. As shown in Figure 1, the Company was overweight small and mid-cap stocks at the beginning of the review period. That positioning was largely maintained throughout the fiscal year, with a mild shift from small-caps to large and mid-caps as macro conditions worsened. The significant decline in small-cap performance, in particular during the final three months of the year, significantly impaired the portfolio's relative performance versus the Index.

MARKET CAP PERFORMANCE DIVERGENCE IN BIOTECH

Small and Mid Cap stocks underperformed during the fiscal year

Market Cap Breakdown (classifications as at 31 March 2025)	Company	NBI	Difference
Large Cap (>$10bn)	37%	65%	-28%
Mid Cap ($2-10bn)	37%	23%	14%
Small Cap (<$2bn)	28%	12%	16%

*%NAV Exposure of the Company's portfolio vs. NBI, excluding private securities.



Market Cap Breakdown (classifications as at 31 March 2024)	Company	NBI	Difference
Large Cap (>$10bn)	32%	64%	-32%
Mid Cap ($2-10bn)	33%	24%	9%
Small Cap (<$2bn)	42%	12%	30%

*%NAV Exposure of the Company's portfolio vs. NBI, excluding private securities.

Figure 1

Note: Chart shows equal-weighted performance of NBI stocks in their respective market cap buckets, using market cap classifications as at 31 March 2024. Updated as at 31 March 2025, performance calculated in US dollars.

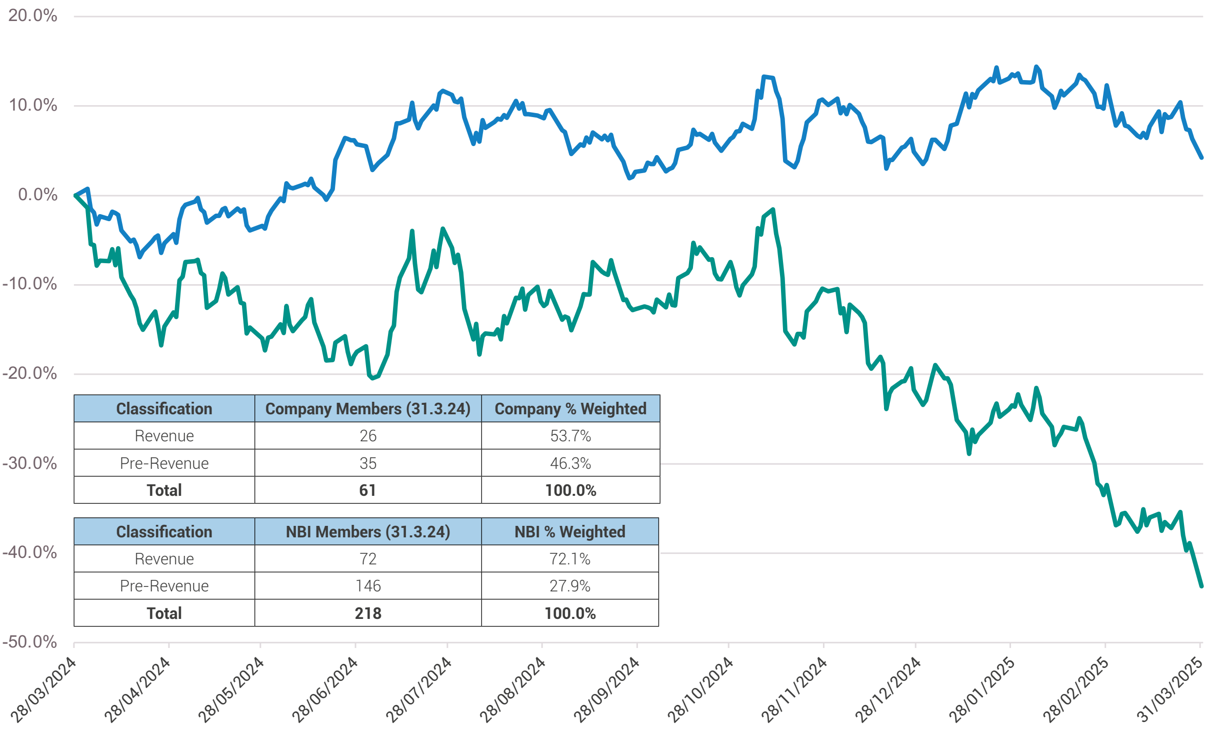
Source: Bloomberg

PORTFOLIO MANAGER'S REVIEW CONTINUED

Additionally, we witnessed a significant disparity in performance between biotech companies that already have product revenue (commercial stage) versus those that are pre-revenue (development stage). Figure 2 is a graph showing the relative performance of two baskets of stocks put together by Morgan Stanley: a commercial biotech basket consisting of 60 biotech companies with product revenue, and a clinical stage basket consisting of 163 pre-revenue biotech names. We note the dramatic underperformance of the pre-revenue names, especially in the latter half of the fiscal year, which contributed to an almost 40% relative underperformance of the clinical stage basket versus the commercial basket over the course of the fiscal year. Because the Company has more exposure to pre-revenue names than the Benchmark (46% vs 28%), as shown in the tables in Figure 2, this also acted as a significant headwind to relative performance.

COMMERCIAL VS DEVELOPMENT STAGE BIOTECH

Pre-revenue companies have significantly underperformed their commercial peers (31 March 2024 – 31 March 2025)



Classification	Company Members (31.3.24)	Company % Weighted
Revenue	26	53.7%
Pre-Revenue	35	46.3%
Total	**61**	**100.0%**

Classification	NBI Members (31.3.24)	NBI % Weighted
Revenue	72	72.1%
Pre-Revenue	146	27.9%
Total	**218**	**100.0%**

MSXXCMBP Index (£)
Morgan Stanley Commercial Biotech Basket
+4.2%

MSXXNCBP Index (£)
Morgan Stanley Clinical Stage Biotech Basket
-43.7%

Figure 2

Note: MSXXCMBP contains 60 biotech names with product sales, roughly equal weighted; MSXXNCBP contains 163 pre-revenue biotech names, with weights adjusted for liquidity.

Source: Bloomberg

ABSOLUTE VALUATIONS OF EMERGING BIOTECH RETEST UNPRECEDENTED LOWS

The dramatic drawdown in biotech performance in the second half of the fiscal year caused absolute valuations for the sector to hit new record lows. We view this recent dip as an excellent buying opportunity for emerging biotech in particular.

One objective measure we use to evaluate valuations of biotech companies is simply to compare the market caps of these companies with the net cash on their balance sheets. On this simple metric, a significant number of biotech companies are still trading at negative enterprise values (i.e. market caps below the net cash on their balance sheets).

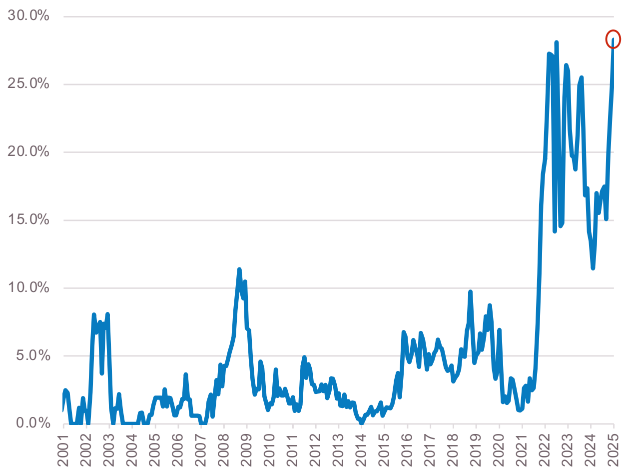
As shown in Figure 3, we estimate close to 30% of the biotech universe, representing approximately 120 companies, is now trading at a negative enterprise value as at 31 March 2025. The graphs show how unprecedented these valuations are in a historical context.

Plotting the median ratio of market cap to net cash on the balance sheet for the industry since 2001 also shows we are at the absolute bottom of historical valuations for the sector on this metric.

BIOTECH VALUATIONS AT UNPRECEDENTED LOWS

Nascent biotech valuation recovery has reversed, causing valuations to retest lows

PERCENT OF BIOTECH COMPANIES TRADING BELOW NET CASH ON BALANCE SHEET



NUMBER OF BIOTECH COMPANIES TRADING BELOW NET CASH ON BALANCE SHEET

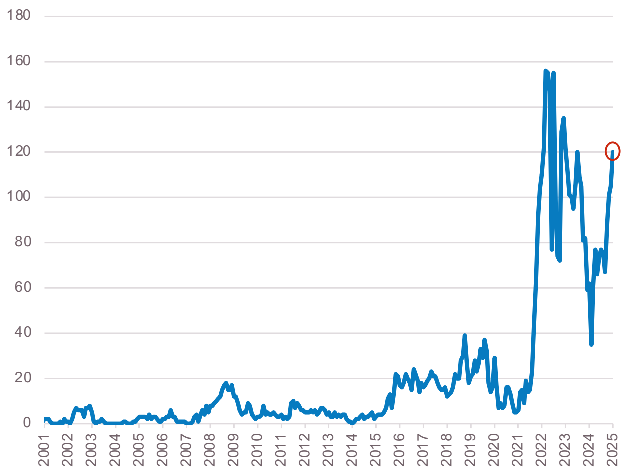


Figure 3

Note: Monthly chart of all GICS defined biotechnology greater than $10 million, using historical cash and debt sourced from Bloomberg, with monthly GICS biotechnology universe refreshes. Updated through 31 March 2025.

Source: Bloomberg

PORTFOLIO MANAGER'S REVIEW CONTINUED

With many companies with active drugs trading below their cash value, we continue to believe that the small and mid-cap pre-revenue companies are the most undervalued in the biotech universe and have the most opportunity for upside. In a worst-case scenario, even if some of these companies choose to shut down operations and return cash to shareholders, this would actually deliver a positive return from current share prices in many cases. In fact, we are beginning to see more activist investors get involved in companies with negative enterprise values in order to unlock the value of their balance sheet cash.

As we have stated in previous years, the biotech sector drawdown since 2021 has been the most protracted and severe pullback we have ever seen for the sector. Ultimately, the innovation in research and development (R&D) that drives value remains intact, which underpins our confidence that a valuation recovery will occur eventually. Most of the innovation in the industry is still being driven by emerging biotech. According to IQVIA (a provider of biopharmaceutical development and data analytics services), 85% of the novel drugs launched in 2024 were initially developed by an emerging biotech company. As such, we currently plan to continue to hold a majority of our portfolio in the small and mid-cap segment, which accounts for the majority of innovation in the sector and has seen the greatest valuation contraction in the past four years.

We note that when valuations previously reached these levels, the biotech sector staged significant upward recoveries, as was the case in late 2023/early 2024.

RATIO OF MARKET CAP TO NET CASH ON BALANCE SHEET (MEDIAN)

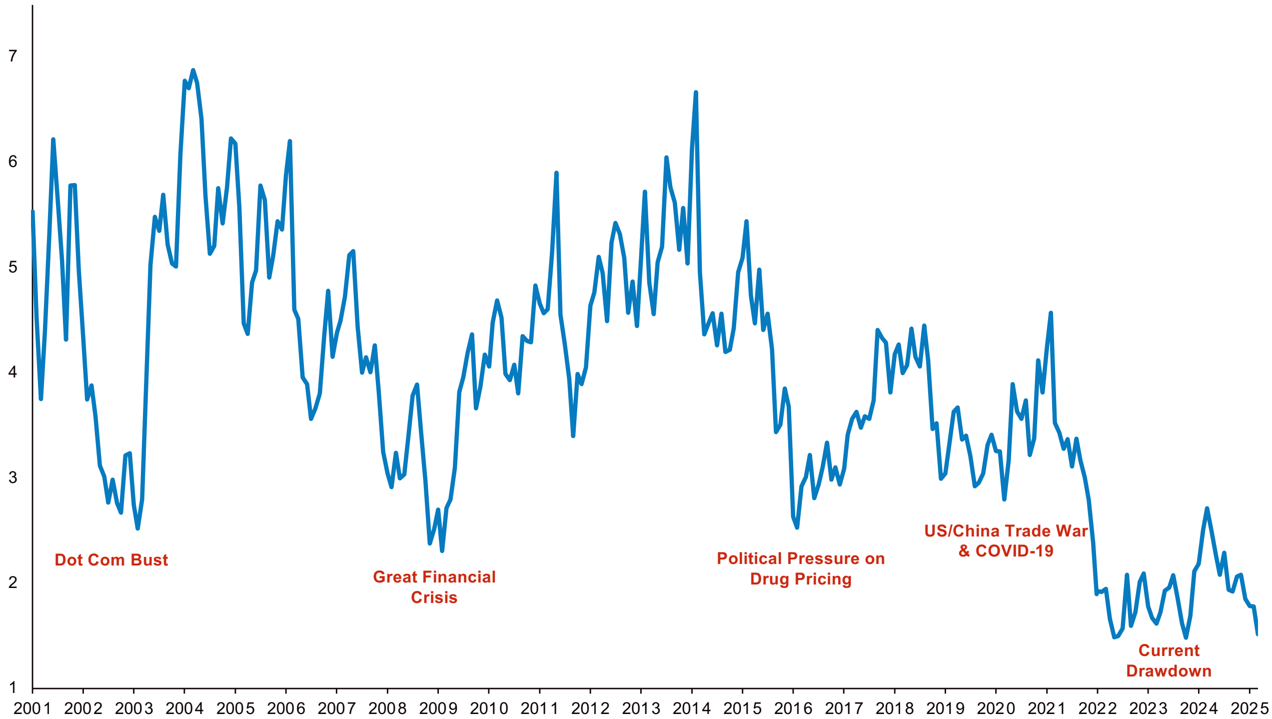


Figure 4

Note: Monthly chart of all GICS defined biotechnology companies greater than $10 million, using historical cash and debt sourced from Bloomberg, with annual GICS biotechnology universe refreshes. Updated through 31 March 2025.

TOP AND BOTTOM FIVE CONTRIBUTORS TO NET ASSET VALUE PERFORMANCE FOR THE YEAR TO 31 MARCH 2025

Top Five Contributors	Contribution £'000	Contribution per share (pence)*
Gilead Sciences	8,802	27.9
Argenx SE	6,499	20.6
CytomX Therapeutics	5,380	17.1
Intra-Cellular Therapeutics	4,727	15.0
Morphic Holding	3,803	12.1
	29,211	92.7
Top Five Detractors		
Sarepta Therapeutics	(8,890)	(28.2)
Dyne Therapeutics	(7,314)	(23.2)
Apellis Pharmaceuticals	(5,161)	(16.4)
Nkarta	(5,104)	(16.2)
Ionis Pharmaceuticals	(5,035)	(16.0)
	(31,504)	(100.0)

* Based on 31,514,115 shares being the weighted average number of shares in issue during the year ended 31 March 2025.
Source: Frostrow Capital LLP

CONTRIBUTORS AND DETRACTORS

Gilead Sciences, Argenx, CytomX Therapeutics, Intra-Cellular Therapies, and Morphic Holding were the leading positive contributors to performance in the portfolio during the year.

- **Gilead Sciences** is a diversified biopharmaceutical company developing medicines to prevent and treat life-threatening diseases, including HIV, viral hepatitis, COVID-19, and cancer. Gilead stock appreciated during the year due to strong revenue growth for its commercial HIV franchise. Additionally, Gilead announced breakthrough data from registrational studies of lenacapavir, a treatment for HIV prevention, which, if approved, has the potential to change the treatment paradigm for HIV prevention as a twice-yearly injection and drive continued growth of Gilead's HIV franchise.
- **Argenx** is a commercial-stage, global biotech company specialising in the development and commercialisation of therapies for autoimmune diseases. The stock's outperformance was driven by exceptional commercial execution, with global product sales reaching $2.2 billion in 2024, an 84% year-on-year increase. This growth was largely fuelled by the success of its drug Vyvgart, which surpassed 10,000 patients treated for generalized myasthenia gravis, chronic inflammatory demyelinating polyneuropathy, and primary immune thrombocytopenia. The company's Vision 2030 plan set some ambitious long-term goals, including treating 50,000 patients globally in 10 labelled indications and advancing five pipeline candidates into Phase 3 development by 2030.
- **CytomX Therapeutics** is a clinical-stage company that is developing novel immuno-oncology therapies across a broad array of cancer types. Shares spiked in May after the company released a clinical update from an early-stage drug which suggested that it may be active in pancreatic cancer. We took advantage of the strength in the shares and exited the position with a significant gain.
- **Intra-Cellular Therapies** markets Caplyta, a drug approved in the U.S. to treat schizophrenia and bipolar depression. In April 2024, a Phase 3 study showed that adjunctive treatment with Caplyta significantly reduced depressive symptoms in patients with major depressive disorder (MDD). The trial's success was replicated in a second Phase 3 study in June 2024 and the company submitted a supplemental new drug application to the FDA in December 2024, aiming to expand the use of Caplyta to treat MDD adults. In January 2025, the company announced a legal settlement with generic competitor Sandoz that would prevent Sandoz from launching a generic Caplyta until 2040. Shortly thereafter, Johnson & Johnson agreed to acquire the company for $14.6 billion, a roughly 40% premium to the stock's last trading price.
- **Morphic Holding** is a clinical stage biotechnology company developing a selective oral α4β7 integrin small molecule inhibitor for the treatment of inflammatory bowel disease that has the potential to improve outcomes and expand treatment options for patients. In July 2024, Eli Lilly announced its intention to acquire Morphic for approximately $3.2 billion, a 79% premium to Morphic's last closing price.

PORTFOLIO MANAGER'S REVIEW CONTINUED

Sarepta Therapeutics, Dyne Therapeutics, Apellis Pharmaceuticals, Nkarta, and Ionis Pharmaceuticals were the principal detractors for the year.

- **Sarepta Therapeutics** is a commercial stage biotechnology company developing and marketing a portfolio of therapies targeting neuromuscular diseases, including the gene therapy Elevidys for Duchenne muscular dystrophy. In March, Sarepta disclosed that a young man with Duchenne muscular dystrophy had passed away from acute liver failure shortly after receiving Elevidys. We exited the entire Sarepta position on the day of the news due to the uncertainty of Elevidys' commercial outlook.
- **Dyne Therapeutics** is a clinical stage biotechnology company developing a pipeline in multiple neuromuscular diseases. In January, updated Phase 1 data showed its drug DYNE-101 was efficacious in myotonic dystrophy, though the level of efficacy was below investor expectations. Uncertainty around the drug's regulatory path led to pressure on the stock.
- **Apellis Pharmaceuticals** is a commercial stage biopharmaceutical company developing treatments for diseases driven by overactivation of the complement system. The company's primary revenue driver is a drug called Syfovre, a treatment for an eye disease called geographic atrophy that can cause blindness. Shares declined in the review period due to slowing market growth and competitive pressure on Syfovre sales.
- **Nkarta** is a clinical-stage biopharmaceutical company developing engineered natural killer cell therapies to treat autoimmune diseases and cancer. Shares declined due to a lack of catalysts in the near term, slow clinical program progression, and increasing competition from alternative modalities being developed for autoimmune diseases.
- **Ionis Pharmaceuticals** is a commercial stage company developing RNA therapeutics across a variety of disease areas. In January, partner Novartis announced a delay of its Phase 3 trial of pelacarsen, a lipoprotein(a) inhibitor to treat cardiovascular disease, from 2025 to the first half of 2026. The lack of other meaningful catalysts in 2025 led to continued weakness in the shares.

INNOVATION REMAINS ROBUST WITH IMPORTANT NEW FDA DRUG APPROVALS

We believe the valuation contraction we have seen in biotech over the past few years is not justified given the strong innovation that continues in the sector.

The FDA approved 59 new drugs in 2024, including a large number of first-in-class drugs. These new therapies generally provide benefit to patients who have little or no therapeutic options or are superior to previously available therapies. Some examples of drugs approved in 2024 that were either the first-ever drug approved to treat a particular disease or the first with a novel mechanism of action are listed below. We favour investing in companies developing first-in-class agents with limited competition.

- **Ojemda** is the first therapy to treat relapsed or refractory paediatric low-grade glioma harbouring a BRAF fusion or rearrangement, a rare form of brain cancer in children. In clinical studies, Ojemda was able to shrink tumours in over 50% of children with this form of glioma. The drug was developed and is marketed by Day One Biopharmaceuticals.
- **Anktiva** was approved as the first immunotherapy to be used in combination with standard of care to treat high risk non-muscle invasive bladder cancer. Anktiva, developed by ImmunityBio, provides a therapeutic alternative to the traditional surgical option of removing the bladder.
- **Xolremdi** was the first therapy approved to treat WHIM syndrome, a rare immunodeficiency disorder. While the market potential for this indication is small, X4 Pharmaceuticals intends to develop the therapy in other more prevalent immunodeficiencies.
- **Rytelo**, developed by Geron, is the first and only oligonucleotide telomerase inhibitor approved for myelodysplastic syndrome, a type of cancer where the blood marrow produces abnormal cells.
- **Yorvipath** is currently the only drug to treat hypoparathyroidism on the market. Ascendis Pharma developed the therapy to address this rare endocrinology disorder after a previous treatment had been permanently withdrawn from the market.
- **Niktimvo** was developed by Syndax Pharmaceuticals and is co-marketed with Incyte Pharmaceuticals for the treatment of relapsed chronic graft-versus-host disease, a life-threatening complication that can occur after a bone marrow or stem cell transplant. While Niktimvo is not the first approved therapy for chronic graft-versus-host

disease, it is the first biologic therapy for the condition and has shown a benefit in patients that did not respond to other drugs.

- **Revuforj**, also developed by Syndax Pharmaceuticals, is the first therapy for relapsed or refractory acute leukemia with KMT2A translocations. This specific type of leukemia has a poor prognosis when treated with traditional chemotherapy.
- **Crenessity**, developed by Neurocrine Biosciences, is the first and only therapy approved to treat classic congenital adrenal hyperplasia (CAH), a rare endocrine disorder associated with dysregulated hormone production from the adrenal glands. The treatment addresses both cortisol deficiency as well as excess androgen production, the classic hallmarks of CAH.
- **Tryngolza**, developed by Ionis Pharmaceuticals, is the first therapy to treat familial chylomicronaemia syndrome, a rare disease where patients suffer from ultra-high triglyceride levels.

SIGNIFICANT SCIENTIFIC AND MEDICAL BREAKTHROUGHS DURING THE REVIEW PERIOD

New drugs like the ones listed above do not make it to market without years of clinical testing and scientific investigation. We focus on assets with best-in-class efficacy and safety for an unmet medical need with a financially large addressable market. Below are a few of the significant scientific and medical breakthroughs during the year for some companies held in the portfolio as at 31 March 2025.

- **Akeso**, a Chinese biotech company partnered with US company Summit Therapeutics, presented its HARMONI-2 trial results at the 2024 World Conference on Lung Cancer for ivonescimab, its novel PD1/VEGF bispecific antibody. Ivonescimab showed a 49% reduction in disease progression relative to the standard of care Keytruda in first-line PD-L1 positive advanced non-small cell lung cancer. Summit is currently studying the drug in a Western population and if the HARMONI-2 results are replicated, ivonescimab could displace Keytruda as the standard of care.
- **Gilead Sciences** released data from two groundbreaking studies with its twice-a-year injection lenacapavir for the pre-exposure prevention of HIV infections. In the trials, lenacapavir prevented 100% and 99.9% of HIV infections in individuals engaging in high-risk behaviour. The drug is under review at global health agencies, and we expect it to be approved and available later in 2025.
- **Insmed** released positive ASPEN trial results for its drug brensocatib, the first-ever successful Phase 3 trial for the treatment of non-cystic fibrosis bronchiectasis. Brensocatib, over the course of a 52-week trial, showed a 20% reduction in exacerbations requiring medical intervention relative to the control arm. This drug is currently under review at the FDA and we expect approval in the summer of 2025.
- **Scholar Rock** released its Phase 3 SAPPHIRE data in patients with spinal muscular atrophy (SMA) for its monoclonal antibody, apitegromab. This was the first drug to show a benefit in SMA patients on top of standard of care therapies. Apitegromab is under regulatory review and should be approved later in 2025.
- **Akero Therapeutics** announced its 96-week Phase 2b SYMMETRY trial for efruxifermin which showed a reversal of compensated cirrhosis due to MASH, a condition characterised by accumulation of excess fat in the liver. No other drug tested to date has been able to show an improvement in fibrosis in this late-stage liver disease. Akero is currently enrolling patients in a Phase 3 study for efruxifermin.
- **Avidity Biosciences** released Phase 1/2 data for del-brax, a novel siRNA bound to a monoclonal antibody for the treatment of facioscapulohumeral muscular dystrophy (FSHD), a genetic disorder characterised by progressive muscle weakness. Del-brax was the first drug to demonstrate muscle function improvement in FSHD, a condition that currently has no approved therapies. Avidity has begun a Phase 3 trial for del-brax and if successful, it could become the first approved therapy to treat FSHD.
- **Axsome Therapeutics** released Phase 3 data for its drug AXS-05 showing efficacy in the treatment of Alzheimer's disease agitation, a condition of restlessness and anxiety found in Alzheimer's patients. This is the first non-antipsychotic to show a benefit in this hard-to-treat patient population. Axsome plans to file the drug for approval in the second half of 2025, and we would expect it to be available to patients in 2026.

We look at all therapeutic areas and we are seeing promising advancements across multiple therapeutic categories. Some of the areas we currently find particularly attractive for investment include:

PORTFOLIO MANAGER'S REVIEW CONTINUED

Orphan/Rare Disease

Under the FDA Orphan Drug Act of 1983, a disease affecting fewer than 200,000 Americans is considered an orphan disease. Companies developing therapies for these diseases have both regulatory and commercial advantages relative to those developing therapies for more prevalent diseases. The FDA awards orphan drugs seven years of regulatory exclusivity upon approval, during which time the FDA is prohibited from approving another marketing application for the same drug for the same disease, regardless of the orphan drug's intellectual property. The FDA will also offer economic incentives to orphan drug developers, often waiving the fee for filing a new drug application. Commercial advantages of orphan drugs include the fact that a relatively small salesforce is typically required to promote such drugs given that these diseases are generally treated by a concentrated number of specialists. Insurance plans and government payors also tend not to heavily negotiate pricing for orphan drugs given the small number of patients affected, allowing companies to charge a significant price per patient. Lastly, patient groups for orphan diseases tend to be well organised, so patients are well-educated about upcoming treatments and will actively seek them once they are approved. Several of the drugs we highlighted above that were approved or had significant data in the year are for rare orphan diseases. Given the regulatory and commercial advantages of orphan disease companies, we have found many of them to be attractive investment opportunities. Some examples of biotech companies focused on orphan diseases held in the portfolio as at 31 March 2025 include:

- **Vertex Pharmaceuticals** – Vertex is a large profitable biotech company that is the leader in developing and commercialising drugs for the treatment of cystic fibrosis. The company has commercialised five therapies which have revolutionised the lives of people suffering from cystic fibrosis, generating over $11 billion in sales from cystic fibrosis treatments in 2024.
- **Argenx** – Argenx developed and commercialised Vyvgart, an antibody therapy, for the treatment of two rare immune-mediated neurological disorders: generalized myasthenia gravis and chronic inflammatory demyelinating polyneuropathy. Success of the product drove Argenx to profitability in 2024. Argenx is also conducting multiple pivotal trials in other rare diseases.
- **Rhythm Pharmaceuticals** – Rhythm has developed and launched Imcivree for Bardet-Biedl syndrome, a rare genetically driven severe obesity disorder. Recently, the company announced positive Phase 3 data for Imcivree for the treatment of acquired hypothalamic obesity, a larger but still orphan indication.
- **Agios Pharmaceuticals** – Agios has developed and commercialised Pyrukynd, a first-in-class oral pyruvate kinase activator, for rare hematologic diseases. Pyrukynd is currently approved for the treatment of haemolytic anaemia in adults with pyruvate kinase deficiency. Over the course of 2024, Agios released two positive Phase 3 studies for Pyrukynd for the treatment of thalassemia, a more common but still rare disorder. Agios is also studying Pyrukynd in a Phase 3 trial for the treatment of sickle cell disease, an even larger but still rare disease.

Cardiovascular Disease

Cardiovascular disease is the leading cause of death in the United States. Some examples of biotech companies that have cardiovascular programs in the portfolio as at 31 March 2025 include:

- **Alnylam Pharmaceuticals** – Alnylam has developed and marketed four products based on its RNA interference technology. In early 2025, Alnylam's drug Amvuttra received a label expansion for the treatment of cardiomyopathy due to transthyretin-mediated amyloidosis. The drug had been shown in clinical studies to reduce the frequency of heart-related deaths, hospital stays, and urgent heart failure visits.
- **Cytokinetics** has a pipeline of late-stage cardiovascular drugs. Its lead asset aficamten had positive Phase 3 data for the treatment of symptomatic obstructive hypertrophic cardiomyopathy. The drug is currently under review by global regulatory authorities with an expected approval in the second half of 2025.
- **Edgewise Therapeutics** develops novel therapeutics for muscle disease, including the heart, the most important muscle in the body. Edgewise recently released Phase 2 data for its drug EDG-7500 for the treatment of hypertrophic cardiomyopathy, a genetic condition where the heart muscle becomes abnormally thickened, making it harder for the heart to pump blood effectively.

Bispecific Antibody Therapies for Cancer

Bispecific antibodies are an emerging technology that is being utilised for the treatment of cancer. Bispecific antibodies are capable of binding to two different antigens simultaneously (in contrast to monoclonal antibodies, which can only bind to one antigen). One of the arms of the antibody targets an antigen which is specific to a cancer cell while the other arm activates an immune cell to target the tumour and kill it. To date, a handful of bispecific antibodies have been developed and marketed using this approach. Some examples of biotech companies held in the portfolio as at 31 March 2025 that are developing or have commercialised bispecific antibodies for cancer include:

- **Amgen**, a large cap biotech company that develops and commercialises drugs across a wide range of therapeutic categories. Amgen has two bispecifics to treat cancer and a third in late-stage clinical development. Blincyto was the first bispecific antibody on the market and is approved for the treatment of acute lymphoblastic leukemia. Imdelltra was the first bispecific approved to treat a solid tumour and is approved for the treatment of late-stage small cell lung cancer. Amgen's third bispecific antibody, xaluritamig is in multiple Phase 3 trials to treat prostate cancer.
- **Akeso**, a Chinese biotechnology company developing ivonescimab, a bispecific targeting VEGF/PD1, across multiple solid tumours. In 2024, the company shared multiple data sets where ivonescimab showed superiority over Merck's Keytruda in non-small cell lung cancer. Akeso has licensed the ex-Chinese rights to the molecule to US based Summit Therapeutics. Ivonescimab has an initial approval to treat a specific type of lung cancer in China and we expect a broader approval in China in 2025.
- **Immatics**, which is focused on developing drugs that target the T cell receptor to generate a specific response against solid tumours. Immatics has two bispecifics in early-stage development against various solid tumours, including head & neck cancer and melanoma. We expect Immatics to share an update on both programs in 2025.
- **Vir Biotechnology** is developing T cell engager bispecifics for cancer utilizing its PRO-XTEN double masking technology, which reduces the risk of side effects of the drugs. Vir has shared exciting early data for two compounds, one targeting breast and colon cancer and a second targeting prostate cancer. The XTEN mask technology hides the active component of the bispecific and activates the bispecific only when it is in the tumour microenvironment, limiting toxicity while enabling a higher and more potent dose of drug to be delivered to the tumour.

As shown in Figure 5, the Company has exposure to a wide range of cutting-edge technologies in biotech:

INNOVATION WELL REFLECTED IN BIOG

Portfolio has exposure to a wide swathe of novel technologies, as shown below:

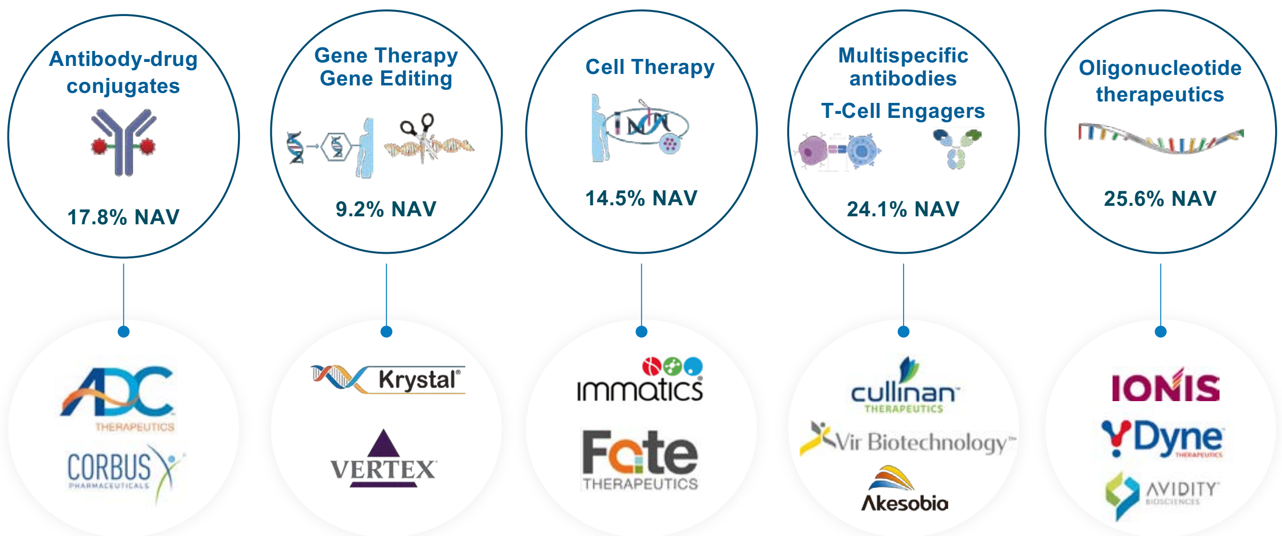


Figure 5

Source: OrbiMed, Percentage of Company NAV as at 31 March 2025. Some positions are double-counted because they use more than one technology.

PORTFOLIO MANAGER'S REVIEW CONTINUED

DECLINE IN BIOTECH FINANCINGS CREATES NEW OPPORTUNITIES FOR INVESTORS TO GENERATE OUTSIZED RETURNS

The sharp contraction in valuations over the past six months has curtailed financing activity in the sector, as shown in Figure 6. Quality companies that have shown good proof-of-concept for their drugs have still seen healthy investor demand for their follow-on offerings. In contrast, earlier stage companies that have not yet demonstrated proof-of-concept for their drug candidates have had a much more challenging time securing financing on attractive terms.

IPO activity, shown in blue, remains minimal given the current valuations in the marketplace. Many private companies are opting to raise funds through additional private rounds rather than go public at record low valuations. As at 31 March 2025, the Company did not have any material private investments and we do not intend to make any new investments in private companies until the IPO market has opened to a greater extent.

One positive consequence of the diminished financing environment is that investors have more leverage in securing attractive deal terms when financing a biotech company that is close to running out of cash. We will continue to selectively take advantage of these financing opportunities.

BIOTECH IPOS & FOLLOW-ONS

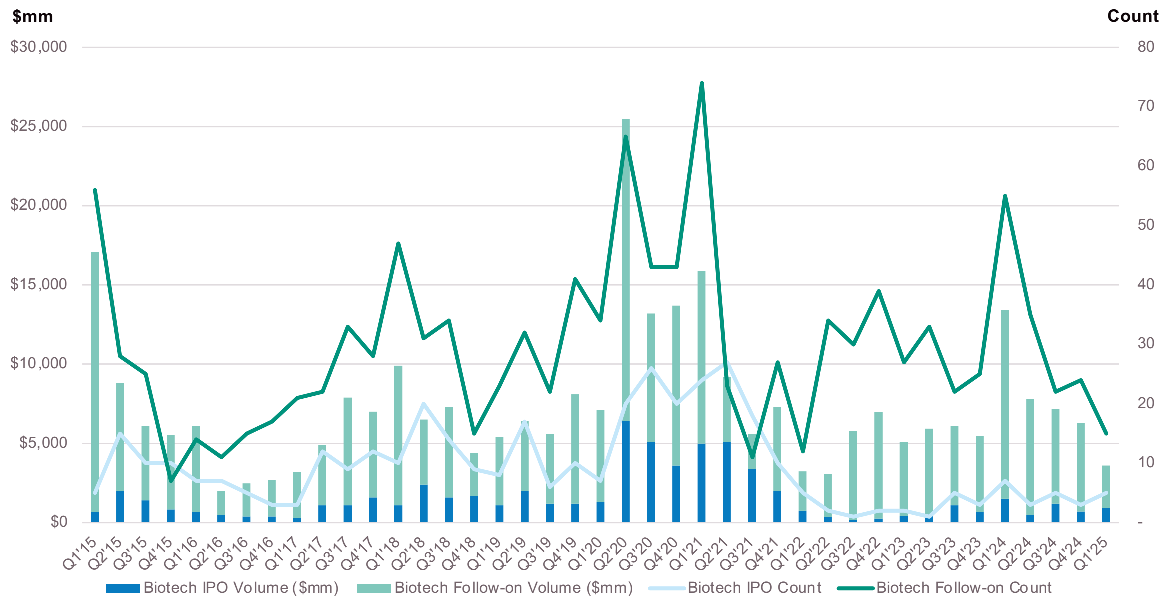


Figure 6
Source: Bank of America "Biotech ECM Activity" report as at 31 March 2025.

CHINESE BIOTECH EMERGING AS A SIGNIFICANT SOURCE OF INNOVATION

Ever since the Chinese government made developing a domestic biotechnology industry a national priority in 2015 as part of its 10-year "Made in China" plan, the Chinese biotech industry has significantly advanced its ability to develop innovative biotech therapeutics.

Chinese biotech companies have shown their ability to develop drugs faster and cheaper than their Western counterparts, and they are rapidly approaching the drug development productivity of the United States.

As shown in Figure 7, the Chinese biopharmaceutical industry now accounts for 30% of Phase 1-3 clinical trial starts worldwide, exceeding all of Europe and approaching the 35% share held by the U.S.

NUMBER OF PHASE 1 TO 3 TRIAL STARTS BASED ON COMPANY HEADQUARTERS LOCATION, 2009-2024

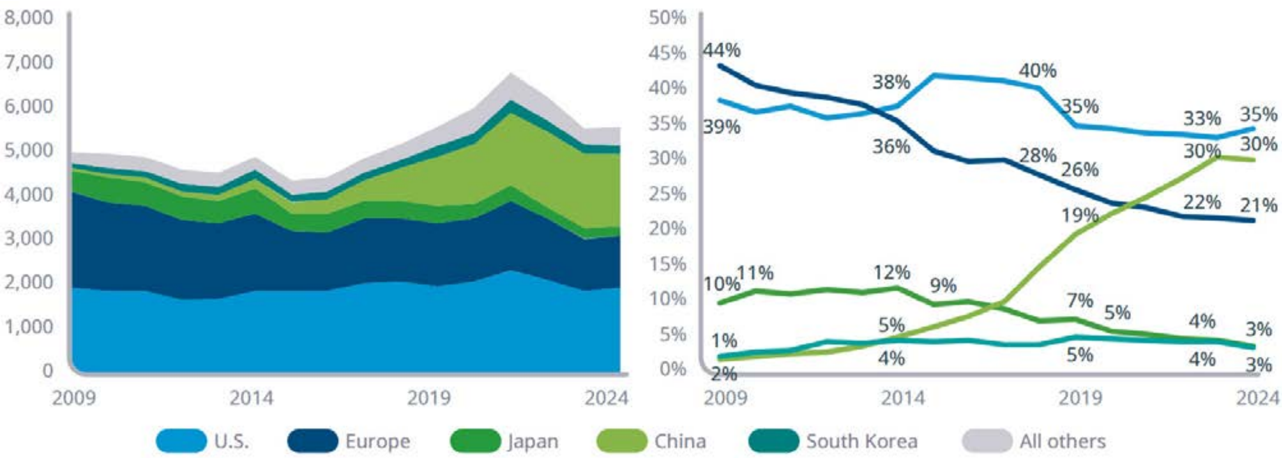


Figure 7

Source: Citeline Trialtrove, Jan 2025; IQVIA Institute, Jan 2025.

Five to ten years ago, many of the biotech drug candidates produced by Chinese biotech were "me-too" versions of Western drugs that did not offer any efficacy or safety advantage. Now, Chinese companies are increasingly developing completely novel drugs and first-in-class molecules that have never been seen in the West. The most telling sign of this advance in innovation is the fact that many large pharmaceutical companies have in-licensed innovative molecules from Chinese biotech companies in the recent past (see Figure 8). Western biopharmaceutical companies licensing innovative assets from China would have been unheard of ten years ago, yet now, those same large pharma companies are aggressively hunting for novel molecules sourced from Chinese biotech.

Date	Asset	Target	Licensor	Licensee	Upfront ($mm)	Milestones ($mm)
7-Jan-24	RNAi	multiple	Argo Biopharma	Novartis	185	3,980
3-Apr-24	Acquisition		ProfoundBio	Genmab	1,800	–
23-May-24	Molecular glues	N/A	Degron Therapeutics	Takeda	NA	1,200
27-May-24	ADCs	multiple	MediLink	BioNTech	25	1,800
14-Jun-24	FG-M701	TL1A	FutureGen	AbbVie	150	1,560
14-Jun-24	Olverembatinib	BCR-ABL1	Ascentage Pharma	Takeda	100	1,200
13-Aug-24	CN201	CD3/CD19 TCE	Curon Biopharmaceutical	Merck	700	600
30-Sep-24	RGT-419B	CDK2/4	Regor Therapeutics	Roche	850	–
7-Oct-24	YS2302018	Lp(a)	CSPC Pharmaceuticals	AstraZeneca	100	1,920
17-Oct-24	Botanical cancer SM	N/A	Chengdu Baiyu	Novartis	70	1,100
30-Oct-24	CBM1A46	CD3/CD19/CD20	Chimagen Biosciences	GlaxoSmithKline	300	550
12-Nov-24	Acquisition		Biotheus	BioNTech	800	150
15-Nov-24	LM-299	PD-1/VEGF	LaNova Medicines	Merck	588	2,700
18-Dec-24	HS-10535	Oral GLP-1R agonist	Hansoh Pharma	Merck	112	1,900
2-Jan-25	IBI3009	DLL3 ADC	Innovent Biologics	Roche	80	1,000
13-Jan-25	SIM0500	GPRC5D/BCMA/CD3	Simcere Zaiming	AbbVie	–	1,055
21-Mar-25	Biospecifics strategic collaboration		Harbour BioMed	AstraZeneca	175	4,400
24-Mar-25	UBT251	GLP-1/GIP/GCGR	United Laboratories	Novo Nordisk	200	1,800
25-Mar-25	HRS-5346	Lp(a)	Jiangsu Hengrui	Merck	200	1,770

Figure 8

PORTFOLIO MANAGER'S REVIEW CONTINUED

The Biotech Growth Trust has a global mandate to identify the best biotech investment opportunities worldwide. Because OrbiMed has three analysts based in our Shanghai and Hong Kong offices who can conduct on-the-ground due diligence on Chinese companies, we have maintained some exposure to Chinese biotech companies in the portfolio for many years. The Shanghai and Hong Kong stock markets entered a protracted bear market starting in 2021, which overshadowed much of the innovation occurring in Chinese biotech. However, we believe there are now clear signs of stock market stabilisation which should allow our Chinese biotech investments to perform better moving forward. As at 31 March 2025, our China investments represented 9.0% of the Company's NAV.

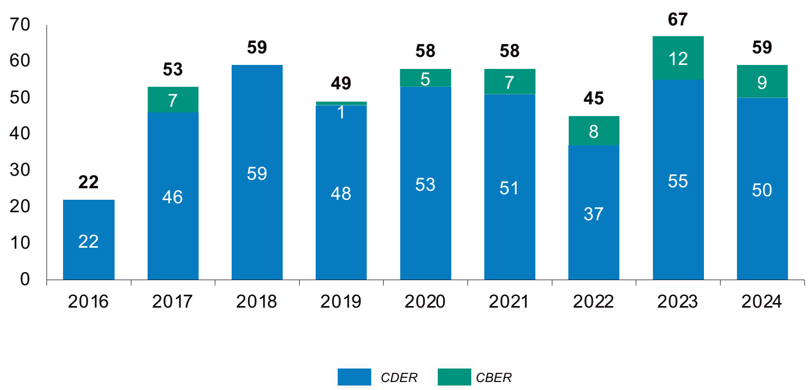
China's ascendance in biotechnology has not gone unnoticed by the US government. In early April, the National Security Commission on Emerging Biotechnology of the US Senate released a report urging swift Congressional action to maintain the United States' global leadership in biotechnology. The report noted the recent rapid rise in China's biotechnology capabilities which threatened to overtake those of the United States, with potential negative consequences for national security. The report's recommendations included accelerating biotech innovation in the US, investing at least $15 billion over five years to support the US biotechnology sector, and making biotech industry development a national priority. As biotechnology increasingly becomes a field for geopolitical rivalry between the US and China, we believe this will lead to even greater government support for the industry in both countries. The biotech industry should benefit from that increased support.

REGULATORY ENVIRONMENT MAY BECOME EVEN MORE FAVOURABLE THAN BEFORE

The biotech sector was weak in the latter part of the fiscal year in part due to growing investor concerns that staff cuts at the FDA could lead to delays in the approvals of new drugs. We believe the concerns over potential regulatory delays are exaggerated. The HHS has expressly stated that any staff cuts will not affect the drug review process, which is largely paid for by industry user fees rather than by the government. Thus far, most of the expected approvals since Kennedy's appointment as head of HHS have occurred on time. Conversations with biotech management teams have also not indicated any detrimental impact on regulatory timelines.

We believe the Trump administration is pro-innovation and would like to speed up new drug approvals rather than delay them. Figure 9 is a graph showing new drug approvals at the FDA since 2016. We would note that in 2017, when Trump took office during his first term as President, he expressly stated that he wanted to speed up the approval of new drugs and reduce the regulatory burden on companies. That policy resulted in over a doubling in new drug

FDA NEW MOLECULAR ENTITY APPROVALS



FDA approvals remain consistently high

Nearly **450** new drugs approved over the past 8 years

Dip in approvals in 2022 likely due to COVID; approval volume remains high

Figure 9
Source: FDA Centre for Drug Evaluation and Research (CDER) and Centre for Biologics Evaluation and Research (CBER) as at 31 December 2024.

approvals in 2017 compared to 2016. That elevated pace of drug approvals continued through his first term and into the Biden administration. We see no evidence that Trump has changed his view on having a constructive FDA regulatory process that speeds up the introduction of new drugs to the market.

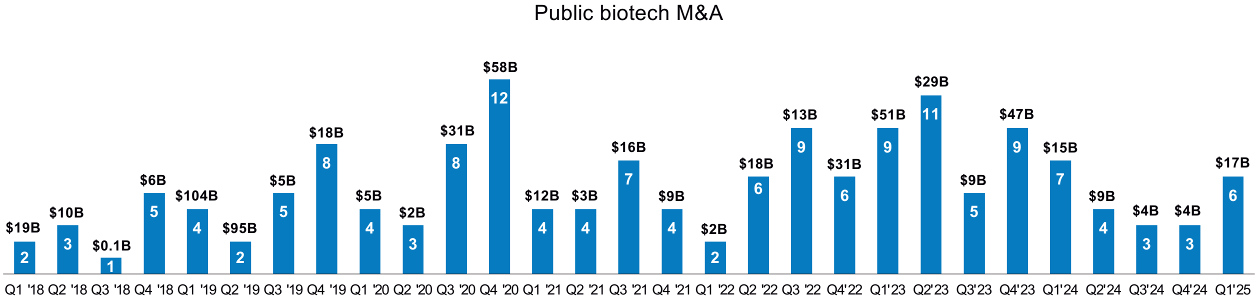
Supporting this view is the announcement in April by the new FDA Commissioner Martin Makary that the agency would no longer require animal testing for monoclonal antibodies and other drugs prior to approval. Instead, companies can rely on AI-based computational modelling, human organ model-based lab testing, and real-world human data to satisfy the testing requirements currently done with animals. After a transition period of three years, the FDA will aim to make animal studies the exception rather than the norm for pre-clinical safety and toxicity testing. The express purpose of the policy is to accelerate the drug evaluation process and lower R&D costs for companies. We believe this is an important early indication that the Trump administration wants to further enhance the constructive and favourable regulatory environment for biotech and pharmaceutical companies. Biotech companies would clearly benefit from any reduction in the cost and time to secure a new drug approval.

M&A ACTIVITY EXPECTED TO ACCELERATE

One of the longstanding drivers of biotech sector performance has been M&A activity. Emerging biotech companies rarely stay independent over the long term; at some point, they are acquired by a larger strategic player. Figure 10 shows the company announced M&A transactions for publicly traded biotech companies since the beginning of 2018. M&A was generally strong throughout 2023 and the early part of 2024 before tapering off for the balance of 2024. We attribute the reduced M&A activity in the latter part of 2024 to four factors: 1) acquirors were still digesting the acquisitions they had already made so were not prepared to make new ones; 2) acquirors were waiting for the results of the Presidential election, which would impact the tax implications for companies contemplating acquisitions as well as Federal Trade Commission (FTC) views on potential transactions; 3) target companies were waiting for share prices to recover before agreeing to a sale; and 4) some acquisition dollars have actually been spent on acquiring

M&A ACTIVITY IN BIOTECHNOLOGY

Announced Public Biotech M&A Transactions



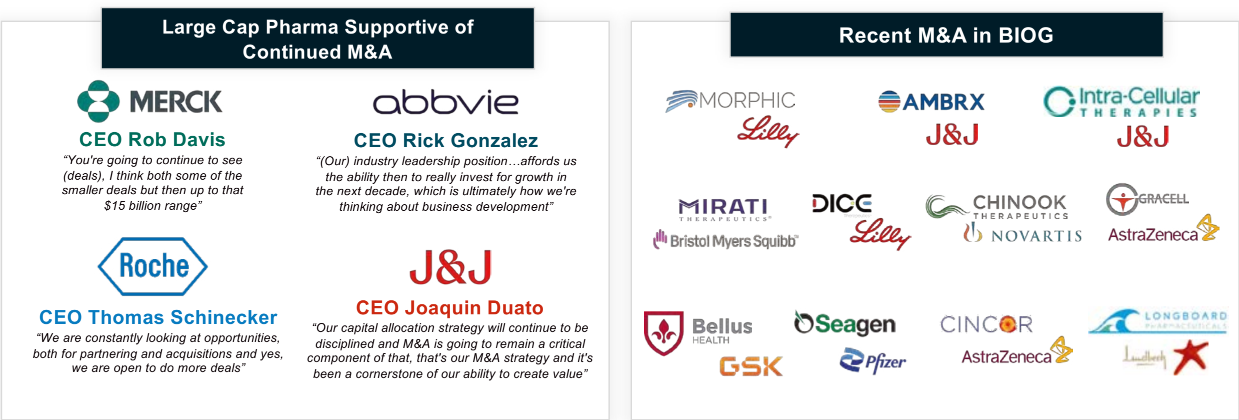


Figure 10
Source: Factset and Bloomberg Transcripts, quotes from Goldman Sachs Healthcare Conference May 2024 and 2Q24 Earnings Calls.
Note: Recent M&A transactions announced in 2023-2025.

PORTFOLIO MANAGER'S REVIEW CONTINUED

private biotech companies that have been unable to go public given the tepid state of the IPO market.

Our conversations with investment bankers indicate that strategic interest in acquiring biotech companies remains strong among large pharmaceutical companies, in large part due to the expected loss of exclusivity for many of their blockbuster products by the end of this decade (as shown in Figure 11). Pharmaceutical companies have an urgent need to make acquisitions that can replace the lost revenue from the patent expirations of those blockbuster products.

However, Trump's recent tariff announcements, including an upcoming pharmaceutical tariff that has yet to be announced, have increased uncertainty among large pharmaceutical companies about what their financial situation may be in the near future. Trump has also discussed closing the tax advantages for pharmaceutical companies that choose to domicile their manufacturing and intellectual property in ex-US locations like Ireland in order to take advantage of lower tax rates in those jurisdictions.

Uncertainty about these policies has likely contributed to a temporary pause in biotech M&A activity. Because the cost of goods sold for pharmaceuticals is generally very low (less than 10% in many cases), any tariff on drugs should theoretically not have a dramatic impact on pharmaceutical margins. Any tariffs that are enacted should also have a minimal impact on biotech companies. Pre-revenue companies will have time to structure their commercial manufacturing operations in an optimal way to minimise the impact of tariffs prior to generating product revenue. If Trump succeeds in lowering the US corporate tax rate from 21% to 15%, the benefits of offshoring pharmaceutical manufacturing become less compelling regardless.

Once there is greater clarity on Trump's pharmaceutical tariffs and economic policies, we believe M&A activity will resume for the balance of this calendar year.

While most of the M&A activity will be larger pharmaceutical companies acquiring smaller biotech, we also expect an uptick in large-scale M&A activity by pharmaceutical

BIG PHARMA PATENT CLIFF DRIVES BIOTECH M&A

Over $270 billion in branded sales are at risk (2024-2030)

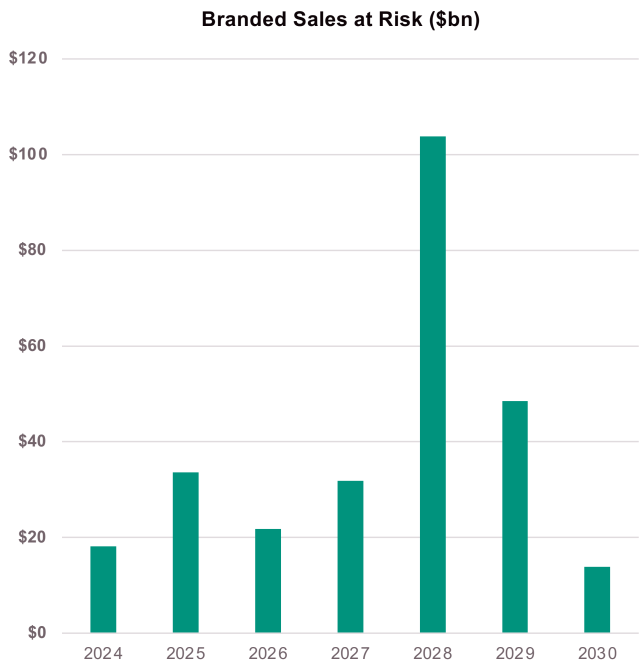


Figure 11

Source: Wolfe Research, OrbiMed, Visible Alpha (sales at risk 2024 represents consensus projected sales for year prior to year of expected loss of exclusivity).

Source: S&P Global report, Company Reports.

Company	Drug	US Loss of Exclusivity (Projected)	2024 Global Sales ($bn)
Merck	Keytruda	2028	$29.4
Bristol Myers Squibb & Pfizer	Eliquis	2026	$13.3
Johnson & Johnson	Stelara	2025	$10.3
Johnson & Johnson	Darzalex	2029	$11.6
Bristol Myers Squibb	Opdivo	2028	$9.3
AbbVie	Humira	2023	$8.9
AbbVie & Johnson & Johnson	Imbruvica	2027	$4.4
Pfizer	Ibrance	2027	$4.3

Source: S&P Global report, Company Reports.

companies. During the Biden Administration, FTC Commissioner Lina Khan took a very aggressive stance in blocking large scale mergers across industries. This effectively discouraged large pharmaceutical companies from making large (>$15 billion) acquisitions, as the prevailing expectation was that any large merger would be stopped by the FTC. Now that Lina Khan is no longer head of the FTC, investors believe this should pave the way for increased large-scale merger activity in the biopharmaceutical sector.

The Company did benefit directly from three M&A transactions during the fiscal year because of holdings in the target companies at the time of the acquisition announcement:

- Eli Lilly's acquisition of Morphic Holdings for $3.2 billion
- Lundbeck's acquisition of Longboard Pharmaceuticals for $2.6 billion
- Johnson & Johnson's acquisition of Intra-Cellular Therapies for $14.6 billion

Several of the holdings in the portfolio would make attractive acquisition candidates, so we expect to continue to benefit directly from M&A activity.

STRATEGY AND OUTLOOK

With the recent downturn, our conviction in the prospects for biotech remains as bullish as ever. Innovation and scientific progress in the industry remain robust, and we believe the regulatory environment is poised to become even more constructive for the biotech industry as Trump executes his pro-business agenda. Contrary to investor fears, we believe the Trump administration is pro-innovation and ultimately wants more drugs approved as expeditiously as possible.

Merger and acquisition activity, which has been on a temporary pause as potential acquirors await greater clarity on Trump's tax and tariff policies, should resume robustly for the balance of this year. Even in an environment of slowing economic growth, biotech has historically outperformed other sectors of the economy, as drug demand is less sensitive to economic conditions. We believe the impact of pharmaceutical tariffs and inflation should have minimal impact on the biotech sector. Commercial biotech companies have typically been able to increase their prices in line with inflation each year.

We expect a majority of the portfolio will continue to be invested in small and mid-cap biotech companies, since they are the most undervalued (trading at record lows) and are most likely to benefit from M&A activity. Additionally, we will maintain some exposure to China as the biotech industry in that country increasingly becomes a source of drug innovation. For the past four years, the biotech sector has been buffeted by macro dynamics that have masked the industry's strong fundamentals. While the wait for a sector recovery has been much longer than we would ever have anticipated, we remain confident that a recovery will eventually occur that will reward long-term investors with superior returns. The Company's overweight exposure to smaller companies with promising assets – the segment that offers the most upside potential – positions the portfolio well to fully capture that recovery.

OrbiMed Advisors LLC
Portfolio Manager
3 June 2025

ORBIMED'S APPROACH TO RESPONSIBLE INVESTMENT

The Company's Portfolio Manager, OrbiMed, is guided by its Responsible Investing Policy in its approach to integrating environmental, social and governance (ESG) issues into its investment process. The Portfolio Manager seeks to invest in innovative biotech and life sciences companies that are working towards addressing significant unmet medical needs globally.

OrbiMed believes that there is a high congruence between companies that seek to act responsibly and those that succeed in building long-term shareholder value. The Portfolio Manager seeks to integrate ESG factors into the overall investment process, with the objective of maximising investment returns. Investment decisions are based on a variety of financial and non-financial company factors, including ESG information. The Portfolio Manager has appointed a Director - ESG to oversee the integration of ESG analysis.

As a responsible investor, OrbiMed negatively screens potential investments and business sectors that may lead to negative impacts on public health or wellbeing. The importance of robust governance and social safeguards in biotech has grown significantly; regulators and investors are increasingly scrutinising financially material ESG issues such as clinical trial transparency, equitable access to therapies, and pricing practices. Governance issues, including board structure and executive pay, are also financially relevant. For companies which do not have manufacturing and are focused on drug discovery and development, environmental factors such as greenhouse gas (GHG) emissions are not generally regarded as financially material. The Portfolio Manager generally utilises healthcare sector-specific guidance from the Sustainability Accounting Standards Board (SASB) and in-house analyses from investment analysts to guide its selection of material ESG factors as part of its investment research.

Healthcare and life sciences sectors are highly regulated, globally. Regulation is well-established across developed markets and emerging markets for the sector. To that end, OrbiMed considers compliance with local laws and regulations as one of the factors in its investment evaluation. Depending on the investment, all or a subset of the ESG factors that are financially material and relevant are considered in OrbiMed's research.

MONITORING AND ENGAGEMENT

OrbiMed utilises ESG scores for public equity holdings from third-party service providers. To supplement the information from the third-party service providers, OrbiMed also conducts proprietary analysis on ESG performance.

The Portfolio Manager engages on a regular basis with its portfolio companies through meetings with management, proxy voting, and in some cases, through board representation.

OrbiMed's analysts track financially material ESG information such as safety of clinical trials, drug safety, ethical marketing, call-backs and other materially relevant factors. As part of these efforts, OrbiMed engages with companies directly or through brokers, and facilitates dialogues and exchange of leading practices among investors, companies, and other relevant experts on ESG in the healthcare sector.

Between 1 April 2024 and 31 March 2025, a total of 619 proposals came to vote within the Company's portfolio. Of these, 599 were management proposals and 20 were shareholder proposals.

ORBIMED VOTING DURING THE YEAR ENDED 31 MARCH 2025

Proposed by	Total number of proposals	Voted for	Voted against	Votes abstained/ withheld
Management	599	540	52	7
Shareholder	20	3	17	0

Most proposals focused on director elections, auditor appointments, and executive compensation. There were 15 ESG-related proposals, including topics on political spending (4), pay equity disclosures (3), and others on patent/access rights, human rights, and linking executive pay to ESG metrics.

The Portfolio Manager provides an annual update on ESG to the Board of the Company.

OrbiMed Advisors LLC
Portfolio Manager
3 June 2025

BUSINESS REVIEW

The Strategic Report on pages 1 to 38 contains a review of the Company's business model and strategy, an analysis of its performance during the financial year and its future developments, as well as details of the principal risks and challenges it faces.

Its purpose is to inform shareholders and help them to assess how the Directors have performed their duty to promote the success of the Company. The Strategic Report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the date of this report. Such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying such forward-looking information.

BUSINESS MODEL

The Biotech Growth Trust PLC is an externally managed investment trust and its shares are admitted to the closed-ended investment funds category of the FCA's Official List and to trading on the main market of the London Stock Exchange.

The purpose of the Company is to achieve long-term growth in its shareholders' wealth by providing a vehicle for investors to gain exposure to a portfolio of worldwide biotechnology companies, through a single investment.

The Company's strategy is to create value for shareholders by addressing its investment objective. As an externally managed investment trust, all of the Company's day-to-day management and administrative functions are outsourced to service providers. As a result, the Company has no executive directors, employees or internal operations.

The Company employs Frostrow Capital LLP (Frostrow) as its Alternative Investment Fund Manager (AIFM), OrbiMed Capital LLC (OrbiMed) as its Portfolio Manager, J.P. Morgan Europe Limited as its Depositary and J.P. Morgan Securities LLC as its Custodian and Prime Broker. Further details about their appointments can be found in the Report of the Directors on pages 51 and 52.

The Board is responsible for all aspects of the Company's affairs, including setting the parameters for and monitoring the investment strategy as well as the review of investment performance and policy.

The Company is an investment company within the meaning of Section 833 of the Companies Act 2006 and has been approved by HM Revenue & Customs as an investment trust (for the purposes of Section 1158 of the Corporation Tax Act 2010). As a result, the Company is not liable for taxation on capital gains. The Directors believe that approval will continue to be retained. The Company is not a close company for taxation purposes.

INVESTMENT OBJECTIVE AND POLICY

The Company seeks capital appreciation through investment in the worldwide biotechnology industry.

In order to achieve its investment objective, the Company invests in a diversified portfolio of shares and related securities in biotechnology companies on a worldwide basis.

In connection with the investment policy, the following guidelines apply:

- The Company will not invest more than 10%, in aggregate, of the value of its gross assets in other closed ended investment companies (including investment trusts) listed on the London Stock Exchange, except where the investment companies themselves have stated investment policies to invest no more than 15% of their gross assets in other closed ended investment companies (including investment trusts) listed on the London Stock Exchange.
- The Company will not invest more than 15%, in aggregate, of the value of its gross assets in other closed ended investment companies (including investment trusts) listed on the London Stock Exchange.
- The Company will not invest more than 15% of the value of its gross assets in any one individual stock at the time of acquisition.
- The Company will not invest more than 10% of the value of its gross assets in unquoted investments at the time of acquisition. This limit includes any investment in private equity funds managed by the Portfolio Manager or any affiliates of such entity.

BUSINESS REVIEW CONTINUED

- The Company may invest or commit for investment a maximum of U.S.$15 million, after the deduction of proceeds of disposal and other returns of capital, in private equity funds managed by the Portfolio Manager, or any affiliates thereof.
- The Company's borrowing policy is that borrowings will not exceed 20% of the value of the Company's net assets. Any loan facility in place from time to time may be drawn by the Portfolio Manager overseen by the AIFM.
- The Company may be unable either to invest directly or invest efficiently in certain countries or share classes. In these circumstances, the Company may gain exposure by investing indirectly through swaps or other derivative instruments where it is more efficient to do so. Exposure to underlying investments thus obtained will count towards and be subject to the investment limits set out above. Further, where the Company invests via swaps or derivatives for such a purpose, exposure to these financial instruments will count towards and be subject to the limits on the use of derivatives and equity swaps set out below.
- In line with the Investment Objective, derivatives are employed, when appropriate, in an effort to enhance returns and to improve the risk-return profile of the Company's portfolio. The Board has set the following limits within which derivative exposures are managed:
  - Derivative transactions (excluding equity swaps) can be used to mitigate risk and/or enhance return and will be restricted to an aggregate net exposure of 5 per cent. of the value of the gross assets measured at the time of the relevant transaction;
  - Equity swaps may be used for efficient portfolio management purposes and aggregate net counterparty exposure through a combination of derivatives (as set out in the previous bullet point) and equity swap transactions is restricted to 12 per cent. of the value of the gross assets of the Company at the time of the transaction.

In accordance with the requirements of the Financial Conduct Authority, any material change to the investment policy will only be made with the approval of shareholders by ordinary resolution.

INVESTMENT STRATEGY

The achievement of the Investment Objective has been delegated to OrbiMed by Frostrow (as AIFM) under the Board's and Frostrow's supervision and guidance.

Details of OrbiMed's investment strategy and approach are set out in the Portfolio Manager's Review on pages 10 to 25. While performance is measured against the Benchmark, the Board encourages OrbiMed to manage the portfolio without regard to the Benchmark and its make-up.

While the Board's strategy is to allow flexibility in managing the investments, in order to manage investment risk it has imposed various investment, gearing and derivative guidelines and limits, within which Frostrow and OrbiMed are required to manage the investments, as set out in the Investment Policy.

PERFORMANCE MEASUREMENT

The Board measures OrbiMed's performance against the NASDAQ Biotechnology Index (total return, net of withholding tax, sterling adjusted). The Board also monitors the Company's performance against its peer group.

DIVIDEND POLICY

The Company invests with the objective of achieving capital growth and it is expected that dividends, if any, are likely to be small. The Board intends only to pay dividends on the Company's shares to the extent required in order to maintain the Company's investment trust status.

No dividends were paid or declared during the year (2024: None).

CONTINUATION OF THE COMPANY

An opportunity to vote on the continuation of the Company is given to shareholders every five years. The next such continuation vote will be proposed at the AGM to be held in July. Please see the Chair's Statement beginning on page 2 and the Notice of AGM beginning on page 105 for further information.

COMPANY PROMOTION

The Company has appointed Frostrow to provide marketing and investor relations services, in the belief that a well-marketed investment company is more likely to grow over time, have a more diverse, stable list of shareholders and its shares will trade closer to the net asset value per share over the long term. Frostrow actively promotes the Company in the following ways:

Engaging regularly with institutional investors, discretionary wealth managers and a range of execution-only platforms: Frostrow regularly meets with institutional investors, discretionary wealth managers and execution-only platform providers to discuss the Company's strategy and to understand any issues and concerns, covering both investment and corporate governance matters;

Making Company information more accessible: Frostrow works to raise the profile of the Company by targeting key groups within the investment community, holding periodic investment seminars, commissioning and overseeing PR output and managing the Company's website and wider digital offering, including Portfolio Manager videos and social media;

Disseminating key Company information: Frostrow performs the Investor Relations function on behalf of the Company and manages the investor database. Frostrow produces all key corporate documents, distributes monthly fact sheets, annual and half yearly reports and updates from OrbiMed on the portfolio and market developments; and

Monitoring market activity, acting as a link between the Company, shareholders and other stakeholders: Frostrow maintains regular contact with sector broker analysts and other research and data providers, and conducts periodic investor perception surveys, liaising with the Board to provide up-to-date and accurate information on the latest shareholder and market developments.

KEY PERFORMANCE INDICATORS (KPIs)

The Board assesses the Company's performance in meeting its objective against the following KPIs:

- net asset value total return;
- share price total return;
- share price discount to net asset value per share; and
- ongoing charges.

A full description of the Company's performance is provided in the Chair's Statement and the Portfolio Manager's Review and a record of these measures is shown on pages 1, 6 and 7. The KPIs have not changed from the prior year:

NET ASSET VALUE PER SHARE TOTAL RETURN^

The Directors regard the Company's net asset value per share total return as being the overall measure of value generated by the Portfolio Manager over the long term. The Board considers the principal comparator to be the NASDAQ Biotechnology Index (total return, net of withholding tax, sterling adjusted). OrbiMed's investment style is such that performance is likely to deviate from that of the Benchmark.

During the year under review, the Company's net asset value per share total return was (24.4%), underperforming the Benchmark by 18.4% (2024: 26.5%, outperforming the Benchmark by 21.5%). Since OrbiMed's date of appointment (19 May 2005) to 31 March 2025, the Company's net asset value per share total return is 719.2% compared with 874.0% for the Benchmark.

SHARE PRICE TOTAL RETURN^

The Directors also regard the Company's share price total return to be a key indicator of performance. This reflects the Company's share price growth which the Board recognises is important to investors.

During the year under review the Company's share price total return was (24.2%) (2024: +27.1%). Since OrbiMed's date of appointment (19 May 2005) to 31 March 2024, the Company's share price total return is 700.0% compared with Benchmark performance of 874.0%.

SHARE PRICE (DISCOUNT)/PREMIUM TO NET ASSET VALUE PER SHARE^

The Board regularly reviews the level of the discount/premium of the Company's share price to the net asset value per share and considers ways in which share price performance may be enhanced, including the effectiveness of marketing, share issuance and buybacks, where appropriate. The Board has a discount control policy in place, the aim of which is to prevent the level of the share price discount to the net asset value per share exceeding 6%. Shareholders should note, however, that it remains possible for the discount to be greater than 6% for a period of days or indeed longer, particularly in volatile or muted

^ Alternative Performance Measure (See glossary beginning on page 100).

BUSINESS REVIEW CONTINUED

markets. However, the Company remains committed to protecting a 6% share price discount over the longer term. 6,374,607 shares were repurchased by the Company during the year (2024: 5,205,221).

When the Company's shares trade at a premium to the net asset value per share, new shares can be issued at a premium to the net asset value per share.

The Board believes that the benefits of issuing new shares in such conditions are as follows:

- to fulfil excess demand in the market in order to help manage the premium at which the Company's shares trade to net asset value per share;
- to provide a small enhancement to the net asset value per share of existing shares through new share issuance at a premium to the estimated net asset value per share;
- to grow the Company, thereby spreading operating costs over a larger capital base, which should reduce the ongoing charges ratio; and
- to improve liquidity in the market for the Company's shares.

As the Company's shares traded at a discount to the net asset value per share throughout the year, no new shares were issued during the year (2024: Nil).

The volatility of the net asset value per share in an asset class such as biotechnology is a factor over which the Board has no control. The making and timing of any share buybacks or share issuance is at the absolute discretion of the Board. Please see pages 36 and 37 for information regarding how the Board addressed this issue during the year.

ONGOING CHARGES^

Ongoing charges represent the costs that the Company can reasonably expect to pay from one year to the next, under normal conditions. The Board continues to be conscious of expenses and seeks to maintain a sensible balance between high quality service and costs. The Board therefore considers the ongoing charges ratio to be a KPI and reviews the figure on a regular basis.

As at 31 March 2025 the ongoing charges figure was 1.1% (2024: 1.2%).

^ Alternative Performance Measure (see glossary beginning on page 100).

RISK MANAGEMENT

The Board is responsible for managing the risks faced by the Company. Through delegation to the Audit Committee, the Board has established procedures to manage risk, to review the Company's internal control framework and to establish the level and nature of the principal risks the Company is prepared to accept in order to achieve its long-term strategic objective. The Audit Committee has carried out a robust assessment of the principal and emerging risks with the assistance of Frostrow (the AIFM). A risk management process has been established to identify and assess risks, their likelihood and the possible severity of their impact. Further information is provided in the Audit Committee Report beginning on page 58. These principal risks are set out on the following pages with a high level summary of their management through mitigation and arrows to indicate any change in the Board's assessment during the year.

PRINCIPAL RISKS AND UNCERTAINTIES	MANAGEMENT/MITIGATION
MARKET RISK	
The Company's portfolio is exposed to fluctuations in market prices (changes in broad market measures, individual security prices and foreign exchange rates) in the biotechnology sector and the regions in which it invests, which may result in a reduction in assets due to market falls and higher volatility. The biotechnology sector has historically been more volatile than other equity sectors, reflecting factors inherent in biotech companies, including emerging technologies, uncertainty of drug approval outcomes, regulatory and pricing policy. More generally, geopolitical and economic uncertainties have affected markets globally and are likely to continue to do so. These include the instability caused by the new administration in the USA, including the consequences of trade wars and tariffs, the continued impact of the war in Ukraine and the effect of sanctions against Russia, tensions between the US/West and China, and conflicts in the Middle East. Broad economic risks include prolonged inflation and elevated interest rates, slowing global economic growth and the fear or presence of recession. New regulations designed to combat climate change and uncertainties associated with shifts in population and resource availability/demand may also have an impact on global markets. In addition, climate change events could have an impact on the business models of the portfolio companies and their operations.	To an extent, this risk is accepted as being inherent to the Company's activities. However, the Board has set limits in the investment policy which ensure the portfolio is diversified. Compliance with the limits and guidelines contained in the Company's investment policy is monitored daily by Frostrow and OrbiMed and reported monthly to the Board. OrbiMed report at each Board meeting on the Company's performance including the impact of wider market trends and events. The Portfolio Manager spreads investment risk over a wide portfolio of investments. At the year end the Company's portfolio comprised investments in 57 companies. As part of its review of the going concern and long-term viability of the Company, the Board considers the sensitivity of the portfolio to changes in market prices and foreign exchange rates (see note 15 beginning on page 90) and the ability of the Company to liquidate its portfolio if the need arose. Further details are included in the Going Concern and Viability Statements beginning on page 34. The Board monitors and challenges the Portfolio Manager's awareness of emerging climate change risks and the resources they have devoted to assessing climate risks. The Board is conscious that climate change poses a general risk to the investment environment and, through discussions with the Portfolio Manager, has noted that the biotechnology industry is not a major contributor to greenhouse gas emissions. For this reason, the Portfolio Manager does not consider climate change to be a material ESG consideration when engaging with investee companies. However energy management is noted as a material concern in the wider healthcare and pharmaceutical sectors, and this forms part of OrbiMed's ESG monitoring. In light of the significant market volatility experienced during the year, both in general and in the biotechnology sector in particular, the Directors consider that this risk has increased.

Risk Likelihood: High Medium Low

Risk change: No change Increased Decreased

BUSINESS REVIEW CONTINUED

PRINCIPAL RISKS AND UNCERTAINTIES	MANAGEMENT/MITIGATION
PORTFOLIO PERFORMANCE (Risk likelihood: High; Risk change: Increased)	
Investment performance may not achieve the Investment Objective and the value of the investments held in the portfolio may fall materially out of line with the sector. The Portfolio Manager's approach is expected to lead to performance that will deviate from comparators, including both market indices and other investment companies investing in the biotechnology sector.	The Portfolio Manager has responsibility for selecting investments in accordance with the Investment Objective and Policy and seeks to ensure that investments in individual stocks fall within acceptable risk levels. To manage this risk, the Board: • reviews and challenges, at each Board meeting, reports from OrbiMed which cover portfolio composition, asset allocation, concentration and performance; • reviews investment performance over the long term against the Benchmark and the Company's peer group; and • formally reviews OrbiMed's appointment, including their performance, service levels and contractual arrangements, each year. In view of the Company's volatile performance during the year, the Board considers that this risk has increased.
SHARE PRICE PERFORMANCE (Risk likelihood: High; Risk change: Increased)	
The Company's share price fluctuates in accordance with supply and demand and may not reflect the underlying net asset value of the shares; where the share price is less than the underlying NAV per share, the difference is known as the 'discount'. Poor share price performance may attract activist shareholders and/or result in increasing buybacks which over time may significantly reduce the Company's assets.	To manage this risk, the Board: • regularly reviews the level of the share price discount/premium to the net asset value per share and considers ways in which share price performance may be enhanced, including the effectiveness of marketing and investor relations services, new share issuance and share buybacks, as appropriate; • has implemented a discount management policy, buying back the Company's shares when the level of the share price discount to the net asset value per share exceeds 6% (in normal market conditions). Further information on this policy is set out on pages 29 to 30; • may issue shares at a premium to the net asset value per share to help prevent a share price premium reaching too high a level; • engages with shareholders at the AGM, investor meetings and seminars, and other events; • reviews an analysis of the shareholder register at each Board meeting and is kept informed of shareholder sentiment by the AIFM and the Company's corporate stockbroker; and • regularly discusses the Company's future development and strategy with the Portfolio Manager and the AIFM. Given the Company's share price performance and the rate of share buybacks over the past year, the Directors believe this risk has increased.
CYBER RISK (Risk likelihood: High; Risk change: Increased)	
Cyber crime may lead to the disruption or failure of systems covering dealing, trade processing, administrative services, financial and other operational functions.	The Board relies on controls in place at OrbiMed, Frostrow, J.P. Morgan, MUFG Corporate Markets and other third-party service providers. The Audit Committee reviews the internal controls reports of the principal service providers, as well as their data storage and information security arrangements. The Board noted that new cyber threats are constantly emerging, as described in the Emerging Risks section on page 34. Accordingly, the Directors consider that this risk has increased.

Risk Likelihood: High Medium Low

Risk change: No change Increased Decreased

PRINCIPAL RISKS AND UNCERTAINTIES	MANAGEMENT/MITIGATION
KEY PERSON RISK	
The risk that the individuals responsible for managing the Company's portfolio may leave their employment or may be prevented from undertaking their duties.	The Board manages this risk by: • appointing OrbiMed, who in turn have appointed Geoff Hsu and Josh Golomb to manage the Company's portfolio. Mr Hsu and Mr Golomb are supported by a team of researchers and analysts dedicated to the biotechnology sector; • receiving reports from OrbiMed at each Board meeting, which include any significant changes in the make-up of the team supporting the Company; • meeting the wider team at OrbiMed's offices and encouraging the participation of the wider OrbiMed team in investor updates; and • delegating to the Management Engagement Committee the responsibility to perform an annual review of the service received from OrbiMed, including, *inter alia*, the team supporting the portfolio managers and their succession plans.
VALUATION RISK	
Pursuant to the Investment Policy, the Company may invest up to 10% of its gross assets in unquoted investments at the time of acquisition. The valuation of unquoted assets involves a degree of subjectivity and there is a risk that proceeds received on the disposal of unquoted holdings may prove to be significantly lower than the value at which the investment is held in the Company's portfolio.	Unquoted investments comprised 1.0% of the Company's portfolio at the year end. Any directly held unquoted investments are valued by an independent, third-party valuation agent. The Board has established a Valuation Committee to review the valuations of the unquoted investments and the methodologies used in the valuations. The valuations are recommended to the Committee by Frostrow, the Company's AIFM, following review by its own valuations committee. The Valuation Committee makes recommendations to the Board, as appropriate. Further information can be found in the Audit Committee Report beginning on page 58 and note 1 to the financial statements beginning on page 79. As the proportion of unquoted investments reduced significantly during the year, the Board considers that this risk has decreased.
COUNTERPARTY RISK	
The Company is exposed to credit risk arising from the use of counterparties. If a counterparty were to fail, the Company could be adversely affected through either a delay in settlement or a loss of assets.	The most significant counterparty to which the Company is exposed is J.P. Morgan Securities LLC (J.P. Morgan), the Custodian and Prime Broker, which is responsible for the safekeeping of the Company's assets and provides the loan facility to the Company. As part of the arrangements with J.P. Morgan they may take assets as collateral up to 140% of the value of the loan drawn down. The assets taken as collateral by J.P. Morgan may be used, loaned, sold, rehypothecated or transferred. The level of the Company's gearing is at the discretion of the AIFM and the Board and the loan can be repaid at any time, at which point the assets taken as collateral will be released back to the Company. Any of the Company's assets taken as collateral are not covered by the custody arrangements provided by J.P. Morgan. J.P. Morgan is a registered broker-dealer and is accordingly subject to limits on rehypothecation imposed by the U.S. Securities and Exchange Commission (SEC). In the event of J.P. Morgan's insolvency, the Company may be unable to recover in full assets held by it as Custodian or held as collateral. The risk is managed through the selection of a financially stable counterparty, limitations on the use of gearing and reliance on the SEC's robust regulatory regime. In addition, the Board monitors the credit rating of J.P. Morgan. J.P. Morgan is also subject to regular monitoring by J.P. Morgan Europe Limited, the Depositary, and the Board receives regular reports from the Depositary. During the year the Company entered into swap transactions with Goldman Sachs International. Further information can be found in note 15 to the financial statements beginning on page 90.

Risk Likelihood: High Medium Low

Risk change: No change Increased Decreased

* See glossary beginning on page 100.

BUSINESS REVIEW CONTINUED

PRINCIPAL RISKS AND UNCERTAINTIES	MANAGEMENT/MITIGATION
OPERATIONAL DISRUPTION	Medium; No change
As an externally managed investment trust, the Company is reliant on the systems of its service providers for dealing, trade processing, administration, financial and other functions. If such systems were to fail or be disrupted (including, for example, as a result of a pandemic, war, network disruption or simply poor performance/controls) this could prevent accurate reporting of the Company's financial position or lead to a failure to comply with applicable laws, regulations and governance requirements and/or to a financial loss.	To manage these risks, the Board (in some cases the Audit Committee): • periodically meets representatives from the Company's key service providers to gain a better understanding of their control environment, and the processes in place to mitigate any disruptive events; • receives a monthly report from Frostrow, which includes, *inter alia*, confirmation of compliance with applicable laws and regulations; • reviews the internal control reports and key policies (including disaster recovery procedures and business continuity plans) of its service providers; • maintains a risk matrix with details of risks to which the Company is exposed, the approach to managing those risks, the key controls and the frequency of the controls operation; • receives updates on pending changes to the regulatory and legal environment and progress towards the Company's compliance with such changes; and • has considered the increased risk of cyber-attacks and received reports and assurance from its service providers regarding the information security controls in place.

EMERGING RISKS

The Directors have carried out a robust assessment of the Company's emerging risks and the procedures in place to identify emerging risks are described below. The International Risk Governance Council definition of an 'emerging' risk is one that is new, or is a familiar risk in a new or unfamiliar context or under new context conditions (re-emerging).

The Audit Committee reviews a risk schedule at each of its three meetings during the year. Emerging risks are discussed in detail as part of this process and also throughout the year to try to ensure that emerging (as well as established) risks are identified and, so far as practicable, mitigated.

NEW MARKET RISKS

During the year, the Audit Committee identified and discussed emerging elements of market risk such as the instability caused by the new administration in the USA, including the consequences of trade wars, tariffs, constraints on pharmaceutical pricing and the possible rise of the anti-vaccine movement which may affect the biotechnology sector in general.

NEW CYBER RISKS

The Committee observed that cyber risks continue to evolve, with new threats emerging at an accelerated pace, as demonstrated by a series of high-profile cyber attacks in the retail sector.

These risks will continue to be monitored and managed as set out in the Market Risk and Cyber Risk descriptions on pages 31 and 32..

GOING CONCERN

The financial statements have been prepared on a going concern basis. The Directors consider this is the appropriate basis as the Company has adequate resources to continue in operational existence until at least 3 June 2026, being 12 months from the date this report was approved. The Company's portfolio, trading activity, cash balances, revenue and expense forecasts, and the trends and factors likely to affect the Company's performance are reviewed and discussed at each Board meeting. The Board has considered a detailed assessment of the Company's ability to meet its liabilities as they fall due, including stress tests which modelled the effects of substantial falls in portfolio valuations and liquidity constraints on the Company's financial position. Further information is provided in the Audit Committee report beginning on page 58.

Risk Likelihood:	High	Medium	Low
Risk change:	No change	Increased	Decreased

The Company's shareholders are asked every five years to vote for the continuation of the Company and this will be put to shareholders at this year's AGM. The Board has recommended that shareholders vote in favour of the continuation of the Company and believes it is reasonable to expect that the vote will pass. Furthermore, the result of the continuation vote will not affect the Company's ability to meet its liabilities as they fall due.

Based on the information available to the Directors at the date of this report, including the results of these stress tests, the conclusions drawn in the Viability Statement below, the Company's current cash balances, and the liquidity of the Company's investments, the Directors are satisfied that the Company has adequate financial resources to continue in operation until at least 3 June 2026, being 12 months from the date this report was approved. Accordingly, the Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

VIABILITY STATEMENT

The Directors have carefully assessed the Company's position and prospects as well as the principal risks and have formed a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five financial years.

To make this assessment and in reaching this conclusion, the Audit Committee has considered the Company's financial position, its ability to liquidate its portfolio and meet its liabilities as they fall due and, in particular, notes the following:

- The portfolio is principally comprised of investments traded on major international stock exchanges. Based on recent market volumes 97.4% of the current portfolio could be liquidated within 30 trading days and 97.0% in seven trading days. There is no expectation that the nature of the investments held within the portfolio will be materially different in future.
- The Board has considered the viability of the Company under various scenarios, including periods of acute stock market and economic volatility, and concluded that it would expect to be able to ensure the financial stability of the Company through the benefits of having a diversified portfolio of (mostly) listed and realisable assets. As illustrated in note 15 to the financial statements, the Board has considered other price risk (the sensitivity of the value of shareholders' funds to changes in the fair value of the Company's investments), foreign currency sensitivity (the sensitivity to changes in key exchange rates to which the portfolio is exposed) and interest rate sensitivity (the sensitivity to changes in market interest rates).
- With an ongoing charges ratio of 1.1%, the expenses of the Company are predictable and modest in comparison with the assets and there are no capital commitments foreseen which would alter that position.
- The Company has a short-term bank facility which can be used to meet its liabilities. Details of the Company's current liabilities are set out in note 12 to the financial statements.
- The Company has no employees. Consequently it does not have redundancy or other employment related liabilities or responsibilities.

The Audit Committee, as well as considering the potential impact of the Company's principal risks and various severe but plausible downside scenarios, has made the following assumptions in considering the Company's longer-term viability:

- There will continue to be demand for investment trusts;
- The Company invests principally in the securities of listed companies traded on international stock exchanges to which investors will wish to continue to have exposure;
- Shareholders will vote for the continuation of the Company at the Annual General Meeting to be held in July. The Company's shareholders are asked every five years to vote for the continuation of the Company. At the current time, the Directors believe they have a reasonable expectation that the next vote will be passed;
- The closed-ended nature of the Company means that, unlike open-ended funds, it does not need to realise investments when shareholders wish to sell their shares;
- The Company will continue to be able to fund share buybacks when required. The Company bought back 6,374,607 ordinary shares in the year under review at a total cost of £57.4 million and experienced no problem with liquidity in doing so. It had shareholders' funds in excess of £221 million at the year end; and
- The long-term performance of the Company will continue to be satisfactory.

BUSINESS REVIEW CONTINUED

STAKEHOLDER INTERESTS AND BOARD DECISION-MAKING (SECTION 172 OF THE COMPANIES ACT 2006)

The following disclosure, which is required by the Companies Act 2006 and the AIC Code of Corporate Governance, describes how the Directors have had regard to the views of the Company's stakeholders in their decision-making.

STAKEHOLDER GROUP	HOW THE BOARD HAS ENGAGED WITH THE COMPANY'S STAKEHOLDERS
Investors	The Board's key mechanisms of engagement with investors include: • The Annual and Half-yearly Reports • The Annual General Meeting • The Company's website which hosts reports, articles and insights, monthly fact sheets and video interviews with the Portfolio Manager • The Company's distribution list which is maintained by Frostrow and is used to communicate with shareholders on a regular basis • Online and in person seminars with presentations from the Portfolio Manager • One-to-one investor meetings The AIFM and the Portfolio Manager, on behalf of the Board, completed a programme of investor relations throughout the year, reporting to the Board on the feedback received. This includes meetings with wealth managers and independent financial advisers, as well as preparing the documents and organising the events listed above. The Board aims for at least one Director to attend the in person and online events at which the Portfolio Manager presents to investors. In addition, the Chair met with a number of the Company's shareholders.
Portfolio Manager	The Board met regularly with the Portfolio Manager throughout the year, both formally at quarterly Board meetings and informally, as required. The Board engaged primarily with key members of the portfolio management team, discussing the Company's overall performance as well as developments at individual portfolio companies and wider macroeconomic developments. The Management Engagement Committee reviewed the performance of the Portfolio Manager and the terms and conditions on which they are engaged.
Other Service Providers	The Board met regularly with the AIFM, representatives of which attend every quarterly Board meeting to provide updates on risk management, accounting, administration, corporate governance and marketing matters. The Management Engagement Committee reviewed the performance of all the Company's service providers, receiving feedback from Frostrow in their capacity as AIFM and Company Secretary. The AIFM, which is responsible for the day-to-day operational management of the Company, meets and interacts with the other service providers including the Depositary, Custodian and Registrar, on behalf of the Board, on a daily basis. This can be through email, one-to-one meetings and/or regular written reporting. The Audit Committee reviewed the quality and effectiveness of the audit and recommended to the Board that it be proposed to shareholders that BDO LLP (BDO) be re-appointed as Auditor. The Audit Committee also met with BDO to review the audit plan and set their remuneration for the year.

As an externally managed investment trust, the Company has no employees, customers, operations or premises. Therefore, the Company's key stakeholders (other than its shareholders) are considered to be its service providers. The need to foster good business relationships with the service providers and maintain a reputation for high standards of business conduct are central to the Directors' decision-making as the Board of an externally managed investment trust.

KEY AREAS OF ENGAGEMENT	MAIN DECISIONS AND ACTIONS TAKEN
• Ongoing dialogue with shareholders concerning the strategy of the Company, performance and the portfolio. • Share price performance. • Operation of the discount management policy • Portfolio performance measurement • The continuation of the Company	The Board and the Portfolio Manager provided updates via RNS, the Company's website, the distribution list and the usual financial reports and monthly fact sheets. The Board continued to monitor share price movements closely. When the discount of the share price to the net asset value per share exceeded 6%, the Company sought to buy back shares in the market. As a result, 6,374,607 shares were bought back during the year. Having nearly exhausted the authority granted at the 2024 AGM, the Board asked shareholders to renew the Company's authority to buy back shares in the market at a General Meeting held on 27 February 2025. Shareholders approved the proposal. The Board proposed that the Company's benchmark should change from the capital return to the total return version of the NASDAQ Biotechnology Index. Shareholders approved the proposal at a General Meeting held on 18 July 2024. The Chair spoke to a number of shareholders regarding the proposed continuation of the Company ahead of the vote to be held at the 2025 Annual General Meeting. The Board recommends that shareholders vote in favour of the continuation of the Company.
• Portfolio composition, performance, outlook and business updates. • The Portfolio Manager's system of internal controls and investment risk management.	The Board agreed that high standards of research had been maintained and the Portfolio Manager's strategy had been implemented consistently. It was noted that short-term performance had suffered largely as a result of macro-economic reasons, however the Board agreed that the Portfolio Manager's investment process remained robust. Therefore, the Board concluded that it was in the interests of shareholders for OrbiMed to continue in their role as Portfolio Manager. The Audit Committee concluded that the Portfolio Manager's internal controls were satisfactory. Please refer to the Audit Committee Report, beginning on page 58, for further information.
• The promotion and marketing strategy of the Company. • Service providers' internal controls. • The effectiveness of the audit and the Auditor's reappointment. • The terms and conditions under which the Auditor is engaged.	The Board concluded that it was in the interests of shareholders for Frostrow to continue in their role as AIFM. The Board agreed that the Company's other service providers continued to perform satisfactorily and should continue in their roles. The Board approved the Audit Committee's recommendation to propose to shareholders that BDO LLP be re-appointed as the Company's auditor for a further year. Please refer to the Audit Committee Report beginning on page 58 and the Notice of AGM beginning on page 105 for further information.

BUSINESS REVIEW CONTINUED

ENVIRONMENTAL, SOCIAL, COMMUNITY AND HUMAN RIGHTS MATTERS

As an externally managed investment trust, the Company does not have any employees or maintain any premises, nor does it undertake any manufacturing or other physical operations itself. All its operational functions are outsourced to third party service providers. Therefore, the Company has no material, direct impact on the environment or any particular community and, as a result, the Company itself has no environmental, human rights, social or community policies.

Under the UK Listing Rules, the Company is exempt from reporting against the Taskforce for Climate-Related Financial Disclosures (TCFD) framework. However, the Board recognises that climate change poses a general risk to the investment environment and has discussed with the Portfolio Manager the potential impact of climate change risk on the Company's investments.

The Board believes that consideration of environmental, social and governance (ESG) factors is important and has the potential to protect and enhance investment returns. The Portfolio Manager's investment criteria ensure that ESG factors are integrated into their investment process and best practice in this area is encouraged by the Board. The Portfolio Manager engages with the Company's underlying investee companies in relation to their corporate governance practices and the development of their policies on social, community and environmental matters. Further information on OrbiMed's responsible investing policy can be found on page 26.

The Board is committed to carrying out the Company's business in an honest and fair manner with a zero-tolerance approach to bribery, corruption, and tax evasion. As such, policies and procedures are in place to prevent this.
In carrying out the Company's activities, the Board aims to conduct itself responsibly, ethically and fairly. The Board's expectations are that the Company's principal service providers have appropriate governance policies in place.

PERFORMANCE AND FUTURE DEVELOPMENTS

A review of the Company's year, its performance and the outlook for the Company can be found in the Chair's Statement beginning on page 2 and in the Portfolio Manager's Review beginning on page 10.

The Company's overall strategy remains unchanged.

By order of the Board

Frostrow Capital LLP
Company Secretary
3 June 2025

GOVERNANCE

IN THIS SECTION

BOARD OF DIRECTORS

ROGER YATES
Independent Non-Executive Chair

Joined the Board in December 2021

Remuneration: £44,000 pa*

Committees
Roger is Chair of the Nominations Committee. See page 42 for further information.

Shareholding in the Company
15,000

Skills and Experience
Roger started his career in investment management at GT Management in 1981 and subsequently held positions at Morgan Grenfell and Invesco as Chief Investment Officer. He was appointed Chief Executive Officer of Henderson Group plc in 1999 and led the company for a decade. More recently, Roger was the Senior Independent Director and Remuneration Committee Chair at IG Group Holdings plc, Chair of Electra Private Equity PLC and Chair of Pioneer Global Asset Management S.p.A. He was also a Non-Executive Director of J.P. Morgan Elect PLC from 2008 until 2018 and Senior Independent Director and Chair of the Remuneration Committee of St James's Place until 2023.

Other Appointments
Roger is the remuneration committee chair at Jupiter Fund Management plc. He is also the senior independent director at Mitie Group plc and the non-executive Chair of Pacific Horizon Investment Trust plc.

Standing for re-election: Yes

HAMISH BAILLIE
Senior Independent Non-Executive Director

Joined the Board in November 2023

Remuneration: £33,000 pa*

Committees
Hamish is Chair of the Management Engagement Committee.
See page 42 for further information.

Shareholding in the Company
7,200

Skills and Experience
Hamish has extensive experience and expertise both in managing an investment trust and as a non-executive director. His executive career was spent at Ruffer LLP, which he joined in 2002, becoming a partner in 2006. Between 2011 and 2022 he was the Lead Manager of Ruffer Investment Company Ltd. He founded and managed the Edinburgh office of Ruffer and held firm-wide responsibilities in relation to portfolio management and investor communications. He retired from Ruffer with effect from 3 October 2022.

Other Appointments
Hamish is the senior independent director of Mid Wynd International Investment Trust plc.

Standing for re-election: Yes

JULIA LE BLAN
Independent Non-Executive Director

Joined the Board in July 2016

Remuneration: £35,000 pa*

Committees
Julia is Chair of the Audit Committee and the Valuation Committee.
See page 42 for further information.

Shareholding in the Company
7,000

Skills and Experience
A Chartered Accountant, Julia has worked in the financial services industry for over 30 years. Julia was formerly a non-executive Director of Impax Environmental Markets plc, JPMorgan US Smaller Companies Investment Trust plc and Aberforth Smaller Companies Trust PLC. She was a tax partner at Deloitte and sat for two terms on the AIC's technical committee.

Other Appointments
Julia is a non-executive director of British & American Investment Trust PLC.

Standing for re-election: No

GEOFF HSU
Non-Executive Director

Joined the Board in May 2018

Remuneration: Nil

Committees
Geoff does not sit on any of the Board's Committees.

Shareholding in the Company
Nil

Skills and Experience
Geoff is a General Partner of OrbiMed, having joined in 2002 as a biotechnology analyst. Prior to joining OrbiMed, he worked as an analyst in the healthcare investment banking group at Lehman Brothers. Mr Hsu received his A.B. degree summa cum laude from Harvard University and holds an M.B.A. from Harvard Business School. Prior to business school, he spent two years studying medicine at Harvard Medical School.

Other Appointments
Geoff is a General Partner of OrbiMed and does not have any other appointments.

Standing for re-election: Yes

* Information as at 31 March 2025

THE RT HON LORD WILLETTS FRS
Independent Non-Executive Director

Joined the Board in November 2015

Remuneration: £30,000 pa*

Committees
See page 42 for further information.

Shareholding in the Company
Nil

Skills and Experience
A former Board member of the Francis Crick Institute and of the Biotech Industry Association, Lord Willetts was the Member of Parliament for Havant from 1992-2015 and was Minister for Universities and Science from 2010-2014. Before that, he worked at HM Treasury and the Number 10 Policy Unit. He also served as Paymaster General in John Major's Government.

Other Appointments
Lord Willetts is a Board member of GenIP Ltd and of Tekcapital. He is Co-chair of Synbioven, a company which invests in synthetic biology.

Standing for re-election: No

DR NICKI SHEPHERD
Independent Non-Executive Director

Joined the Board in January 2021

Remuneration: £30,000 pa*

Committees
See page 42 for further information.

Shareholding in the Company
3,000

Skills and Experience
Nicki has over 25 years of experience in the biomedical sector and is the Founder and Director of Bellows Consulting, providing strategic advice in relation to maximising the impact from scientific research. Nicki is also involved in managing large, international consortiums including in the government, academic, charitable and private sectors. Current clients include The Pirbright Institute, Gates Foundation, GALVmed and Barts Charity. She was previously at The Wellcome Trust where she was responsible for the management of the Translation Fund, a £30 million a year investment into biomedical product development. Nicki has also held positions at AstraZeneca in late-stage manufacturing.

Other Appointments
Nicki sits on or advises several scientific panels and is an independent member of the Joint Oversight Committee for the Centre for Veterinary Vaccine Innovation and Manufacturing (CVIM).

Standing for re-election: Yes

JULIE TANKARD
Independent Non-Executive Director

Joined the Board in September 2024

Remuneration: £30,000 pa*

Committees
See page 42 for further information.

Shareholding in the Company
1,022

Skills and Experience
Julie has over 30 years of varied finance experience and is a Fellow of the Chartered Institute of Management Accountants. She is a director of Fincom Advisory Limited, which provides commercial advice to businesses, having previously been the Chief Financial Officer and a Board member of Port of London. She was also a trustee of a defined benefit pension scheme for six years, and previously chaired the audit committee of Leeds and York NHS Foundation Trust, prior to which she held various senior positions at BT plc.

Other Appointments
Julie is a non-executive director and chair of the audit committee of F&C Investment Trust PLC. She is a director of Fincom Advisory Limited and the Industrial Development Advisory Board.

Standing for election: Yes

CORPORATE GOVERNANCE

THE BOARD AND COMMITTEES

Responsibility for effective governance lies with the Board. The governance framework of the Company reflects the fact that as an investment company it has no employees. Portfolio management is outsourced to OrbiMed and risk management, company management, company secretarial, administrative and marketing services are outsourced to Frostrow. The Board generates value for shareholders through its oversight of the service providers and management of costs associated with running the Company.

THE BOARD

Chair – Roger Yates

Senior Independent Director – Hamish Baillie

Five additional non-executive Directors, four of whom are considered independent.

Key responsibilities:

- to provide leadership and set the strategy, values and standards of the Company within a framework of effective controls which enable risk to be assessed and managed;
- to ensure that a robust corporate governance framework is implemented; and
- to challenge constructively and scrutinise the performance of all third-party service providers.

Audit Committee

Chair
Julia Le Blan

Hamish Baillie, Lord Willetts, Dr Shepherd, Julie Tankard

Key responsibilities:

- to review the Company's financial reports;
- to oversee the risk and control environment and financial reporting; and
- to have primary responsibility for the relationship with the Company's external auditor, to review their independence and performance, and to determine their remuneration.

Nominations Committee

Chair
Roger Yates

All Independent Directors

Key responsibilities:

- to review regularly the Board's structure and composition; and
- to make recommendations for any changes or new appointments.

Management Engagement Committee

Chair
Hamish Baillie

All Independent Directors

Key responsibilities:

- to review regularly the contracts, the performance and remuneration of the Company's principal service providers.

Valuation Committee

Chair
Julia Le Blan

Julie Tankard, Roger Yates, Hamish Baillie

Key responsibilities:

- to consider the valuations of the Company's unquoted investments; and
- to consider the appropriateness of the Company's valuation policies and methodologies.

Copies of the full terms of reference, which clearly define the responsibilities of each Committee, can be obtained from the Company Secretary, will be available for inspection at the Annual General Meeting, and can be found on the Company's website at www.biotechgt.com

INTERNAL CONTROLS STRUCTURE

The Board has a responsibility for establishing and assessing internal controls to ensure the Company operates effectively, efficiently and within the risk appetites set by the Board. As the Company relies on third-party service providers for all of its operations, it obtains regular reports from these counterparties on the nature and effectiveness of controls within these organisations.

The Company's principal service providers are the Portfolio Manager, OrbiMed, the AIFM, Company Secretary and administrator, Frostrow Capital, the custodian and depositary, J.P. Morgan and the registrar, MUFG Corporate Markets. The Board receives regular reporting on compliance with the control environment and assesses the effectiveness of the internal controls through review of the assurance reports from each of these organisations.

In addition, the Company retains a number of secondary providers who report regularly to the Board. These include the Company's legal adviser and the corporate stockbroker.

The Management Engagement Committee formally evaluates the performance and service delivery of all third-party service providers at least annually and the Audit Committee evaluates the performance of the Company's external auditor annually, following the completion of the annual audit process.

Board of Directors
Entirely non-executive, majority independent

Committees:

- Audit Committee
- Management Engagement Committee
- Nominations Committee
- Valuation Committee

Principal third-party service providers

The Directors:

- receive regular reporting at meetings;
- review the assurance report produced by each organisation;
- receive additional reporting on the control environment from each of the principal third – party service providers; and
- formally evaluate their performance on an annual basis.

Frostrow
(AIFM, Company Secretary, Fund Administrator)

Reporting

- Balance sheet
- Liquidity and gearing
- Income forecasts
- Portfolio valuation
- Portfolio transactions
- Investment limits and restrictions (monthly)
- Compliance with investment policy and guidelines (monthly)
- Compliance report (semi-annually)
- Internal Controls Report (annually)

OrbiMed
(Portfolio Management)

Reporting

- Portfolio performance update at each meeting
- Compliance report (semi-annually)
- Effectiveness of control environment (annually)
- Presentations on subjects of interest e.g. Risk Management, Investment Compliance (as required)

J.P. Morgan
(Depositary and Custodian)

Reporting

- Depositary's report (semi-annually)
- Internal Controls Report (annually)
- Presentations on subjects of interest e.g. cyber security (as required)

MUFG Corporate Markets
(Registrar)

Reporting

- Effectiveness of control environment (annually)
- Presentations on subjects of interest e.g. cyber security (as required)

Secondary third-party service providers

The Directors:

- receive regular reporting on their activities at meetings; and
- formally evaluate their performance on an annual basis.

Charles Russell Speechlys
(Legal Adviser)

Winterflood Securities
(Corporate Broker)

CORPORATE GOVERNANCE STATEMENT

The Board is committed to maintaining and demonstrating high standards of corporate governance. The Board has considered the principles and recommendations of the AIC Code of Corporate Governance published in February 2019 (the AIC Code). The AIC Code addresses all the principles set out in the UK Corporate Governance Code (the UK Code) published in 2018, as well as setting out additional provisions on issues that are of specific relevance to the Company.

In January 2024 the FRC published a revised UK Corporate Governance Code which applies to financial years beginning on or after 1 January 2025. The AIC published a revised Code of Corporate Governance in August 2024, which applies with effect from the same date. The 2018 UK Code and the 2019 AIC Code apply until this time.

The Board considers that reporting against the principles and provisions of the AIC Code (which has been endorsed by the Financial Reporting Council) will provide better information to shareholders. By reporting against the AIC Code, the Company meets its obligations under the UK Code (and associated disclosure requirements under paragraph 6.6.6 of the UK Listing Rules) and as such does not need to report further on issues contained in the UK Code which are irrelevant to the Company as an externally managed investment company, including the provisions relating to the role of the chief executive, executive directors' remuneration and the internal audit function.

The AIC Code is available on the AIC's website www.theaic.co.uk and the UK Code can be viewed on the Financial Reporting Council website www.frc.org.uk. The AIC Code 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 Company has complied with the principles and provisions of the AIC Code. The Corporate Governance Report on pages 42 to 50, forms part of the Report of the Directors on pages 51 to 56.

BOARD LEADERSHIP AND PURPOSE

PURPOSE AND STRATEGY

The purpose and strategy of the Company are described in the Strategic Report.

BOARD CULTURE

The Board aims to consider and discuss differences of opinion and unique vantage points, and to utilise the Directors' different areas of expertise. The Chair encourages open debate to foster a supportive and cooperative approach for all participants. Strategic decisions are discussed openly and constructively. The Board aims to be transparent with shareholders and other stakeholders and for the Company to conduct itself responsibly, ethically and fairly in its relationships with service providers.

The Board has gained assurance on whistleblowing procedures at the Company's principal service providers to ensure employees at those companies are supported in speaking up and raising concerns. No concerns relating to the Company were raised during the year.

SHAREHOLDER RELATIONS

The Company has appointed Frostrow to provide marketing and investor relations services in the belief that a well-marketed investment company is more likely to grow over time, have a more diverse, stable list of shareholders and its shares will trade closer to the net asset value per share over the long run. Frostrow actively promotes the Company as set out on page 29.

Representatives of Frostrow, OrbiMed and the Board met regularly with institutional shareholders and private client wealth managers to discuss investment strategy, any issues or concerns and, if applicable, corporate governance matters. Reports on investor sentiment and the feedback from investor meetings were discussed with the Directors at the following Board meeting.

SHAREHOLDER COMMUNICATIONS

The Board, the AIFM and the Portfolio Manager consider maintaining good communications with shareholders to be a priority. They engage with larger shareholders through meetings and presentations and retail shareholders through webinars, podcasts, the media including social media, and the Company's website. All shareholders are informed by the publication of annual and half-yearly reports which include financial statements. These reports are supplemented by the daily release of the net asset value per share to the London Stock Exchange and the publication of monthly fact sheets. All this information, including interviews with the Portfolio Manager, is available on the Company's website at www.biotechgt.com.

The Board monitors changes to the share register of the Company; it also reviews correspondence from shareholders (if any) at each meeting and maintains regular contact with major shareholders. Shareholders who wish to raise matters with a Director may do so by writing to them at the registered office of the Company.

The Board supports the principle that the AGM be used to communicate with private investors in particular. Shareholders are encouraged to attend the AGM, where they are given the opportunity to question the Chair, the Board and representatives of the Portfolio Manager. In addition, the Portfolio Manager makes a presentation to shareholders covering the investment performance and strategy of the Company at the AGM. Details of the proxy votes received in respect of each resolution are made available on the Company's website following the AGM.

SIGNIFICANT HOLDINGS AND VOTING RIGHTS

Details of the shareholders with substantial interests in the Company's shares, the Directors' authorities to issue and repurchase the Company's shares, and the voting rights of the shares are set out in the Report of the Directors on pages 51 to 56.

CONFLICTS OF INTEREST

Company directors have a statutory obligation to avoid a situation in which they (and connected persons) have, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company. In line with the Companies Act 2006, the Board has the power to authorise any potential conflicts of interest that may arise and impose such limits or conditions as it thinks fit. A register of interests and potential conflicts is maintained and is reviewed at every Board meeting.

No new conflicts of interest arose during the year.

DIVISION OF RESPONSIBILITIES

THE CHAIR AND THE SID

The Chair's primary role is to provide leadership to the Board, assuming responsibility for its overall effectiveness in directing the Company.

The Senior Independent Director (SID) serves as a sounding board for the Chair and acts as an intermediary for the other Directors and the shareholders.

A full description of the responsibilities of the Chair and the SID can be found on the Company's website: www.biotechgt.com

DIRECTOR INDEPENDENCE

The Board consists of seven non-executive Directors, six of whom the Board considers to be independent of OrbiMed and the Company's other service providers. Geoff Hsu is a General Partner of OrbiMed and is therefore not independent.

Mr Hsu has been part of the team managing the Company's portfolio since OrbiMed's appointment. His contributions to the Board's discussions and his knowledge and experience of the Company's history are valued by the Board. Mr Hsu does not sit on any of the Board's committees; he is not involved with the selection of new directors or the setting of their remuneration, or the review and assessment of OrbiMed's performance and the terms and conditions on which they are engaged. In addition, he has waived his director's fee.

Aside from Mr Hsu, all of the Directors seeking election or re-election at the forthcoming AGM continue to be independent when assessed against the circumstances set out in Provision 13 of the AIC Code. The Board carefully considers these guidelines but believes that independence is evidenced by an individual being independent of mind, character and judgement.

Further details regarding the Directors can be found on pages 40 to 41.

BOARD MEETINGS

The Board is responsible for the effective stewardship of the Company's affairs. Strategy issues and all material operational matters are considered at its meetings.

The Board met formally four times during the year. The primary focus at regular Board meetings was the review of investment performance and associated matters, including asset allocation, marketing/investor relations, peer group information and industry issues.

The Board reviewed key investment and financial data, revenue and expense projections, analyses of transactions, performance metrics and performance comparisons, share price and net asset value performance.

The Board is responsible for setting the Company's corporate strategy and reviewed the continued appropriateness of the Company's investment objective, investment strategy and investment restrictions at each meeting.

CORPORATE GOVERNANCE CONTINUED

MEETING ATTENDANCE

The table below sets out the number of scheduled Board and committee meetings held during the year ended 31 March 2025 and the number of meetings attended by each Director.

	Board	Management Engagement Committee	Audit Committee	Nominations Committee	Valuation Committee
Number of meetings held in 2024/25	**4**	**1**	**3**	**2**	**4**
Hamish Baillie	4	1	3	2	4
Steve Bates[1]	1	–	1	1	1
Geoff Hsu[2]	4	N/A	N/A	N/A	N/A
Julia Le Blan	4	1	3	2	4
Dr Nicki Shepherd	4	1	3	2	N/A
Julie Tankard[3]	3	1	2	1	3
The Rt Hon Lord Willetts	4	1	2	1	N/A
Roger Yates[4]	4	1	3	2	4

All serving Directors attended the Annual General Meeting held on 18 July 2024. Other ad hoc meetings of the Board and Committees were held in connection with specific events as and when necessary.

1 Steve Bates retired from the Board on 18 July 2024.

2 Geoff Hsu is not a member of any Board committees.

3 Julie Tankard was appointed to the Board with effect from 3 September 2024.

4 Roger Yates served as a member of the Audit Committee until November 2024. In line with the AIC Code, he was a member of the Audit Committee as he was independent on appointment and has valuable experience in the investment and asset management sectors.

MATTERS RESERVED FOR DECISION BY THE BOARD

The Board has adopted a schedule of matters reserved for its decision. This includes:

- decisions relating to the strategic objectives and overall management of the Company, including the appointment or removal of the Portfolio Manager and other service providers, establishing the investment objectives, restrictions, strategy and performance comparators;
- approval of the annual and half yearly financial statements, recommendation or declaration of any dividends, determining the policy on share issuance and buybacks;
- the Company's internal controls, corporate governance structure, policies and procedures; and
- matters relating to the Board and its committees, including the appointment of directors.

Day-to-day portfolio management is delegated to OrbiMed and operational management is delegated to Frostrow.

The Board takes responsibility for the content of communications regarding major corporate issues, even if OrbiMed or Frostrow acts as spokesman. The Board was kept informed of relevant promotional material that was issued by Frostrow during the year.

RELATIONSHIP WITH SERVICE PROVIDERS

Representatives of the Portfolio Manager and the AIFM were in attendance at each Board meeting held during the year. The Management Engagement Committee evaluated the performance of all the Company's service providers as well as the terms and conditions on which they are engaged. The Committee concluded that all the service providers were performing satisfactorily and recommended to the Board that they should be retained on the existing terms conditions. Please refer to page 52 for further information on the Committee's assessment of the AIFM and the Portfolio Manager.

EXERCISE OF VOTING POWERS

The Board and the AIFM have delegated authority to the Portfolio Manager to vote the shares owned by the Company. The Portfolio Manager has been instructed to submit votes in respect of such shares wherever possible. The Portfolio Manager may refer to the Board or the AIFM on any matters of a contentious nature. The Board has reviewed OrbiMed's Voting Guidelines and is satisfied with their approach.

The Company does not retain voting rights on any shares that are subject to rehypothecation in connection with the loan facility provided by J.P. Morgan Securities LLC.

STEWARDSHIP AND ORBIMED'S RESPONSIBLE INVESTING POLICY

The Board recognises that ESG issues can impact the performance of investments. The Board has delegated authority to OrbiMed to evaluate investee companies' performance and engage with their management teams on material ESG issues. The Board receives reports from OrbiMed on their approach to handling ESG-related issues at portfolio companies.

INDEPENDENT PROFESSIONAL ADVICE

The Directors have access to the advice and services of a specialist investment trust company secretary, who is responsible for advising the Board on all governance matters. The Company Secretary ensures governance procedures are followed and that the Company complies with applicable statutory and regulatory requirements.

The Board has formalised arrangements under which the Directors, in the furtherance of their duties, may seek independent professional advice at the Company's expense. No such advice was sought during the year.

BOARD COMPOSITION, SUCCESSION AND EVALUATION

SUCCESSION PLANNING

During the year, the Nominations Committee considered the structure of the Board, recognising the need for progressive refreshment. The Committee led the recruitment process to find a new director and chair of the Audit Committee ahead of Julia Le Blan's anticipated retirement at the forthcoming AGM. Plans for recruiting a director to succeed Lord Willetts following his anticipated retirement at the forthcoming AGM were agreed and were in progress at the date of this report.

The Board has an approved succession planning policy to ensure that (i) there is a formal, rigorous and transparent procedure for the appointment of new directors; and (ii) the Board is comprised of members who collectively display the necessary balance of professional skills, experience, length of service and industry knowledge.

POLICY ON THE TENURE OF THE CHAIR AND OTHER NON-EXECUTIVE DIRECTORS

The tenure of each independent, non-executive director, including the Chair, is not ordinarily expected to exceed nine years. It should be noted that, in practice, the date for departure from the Board may be the date of the Annual General Meeting following this anniversary. However, the Board has agreed that the tenure of the Chair may be extended for a limited time provided such an extension is conducive to the Board's overall orderly succession. The Board believes that this more flexible approach to the tenure of the Chair is appropriate in the context of the regulatory rules that apply to investment companies, which ensure that the chair remains independent after appointment, while being consistent with the need for regular refreshment and diversity.

Notwithstanding this expectation, the Board considers that a Director's tenure does not necessarily reduce his or her ability to act independently and will continue to assess each Director's independence annually, through a formal performance evaluation.

APPOINTMENTS TO THE BOARD

The rules governing the appointment and replacement of Directors are set out in the Company's articles of association and the aforementioned succession planning policy. Where the Board appoints a new Director during the year, that Director will stand for election by shareholders at the next AGM. Subject to there being no conflict of interest, all Directors are entitled to vote on candidates for appointment to the Board and on the recommendation for shareholders' approval for the Directors seeking re-election at the AGM. When considering new appointments, the Board endeavours to ensure that it has the capabilities required to be effective and oversee the Company's strategic priorities. This will include an appropriate range, balance and diversity of skills, experience and knowledge. The Company is committed to ensuring that any vacancies arising are filled by the most qualified candidates.

The Nominations Committee considers annually the skills possessed by the Board and identifies any skill shortages to be filled by new Directors. During the year, the Board appointed Julie Tankard as a non-executive Director, ahead of the planned retirement of Julia Le Blan at the forthcoming AGM. The Board engaged the services of a

CORPORATE GOVERNANCE CONTINUED

specialist recruitment agency, Nurole, to assist with the search process. Nurole sourced and prepared a diverse long list of potential candidates for consideration by the Nominations Committee. The Nominations Committee then selected a short list of candidates to interview. Following the interviews, a recommendation was made to the Board that Mrs Tankard be appointed as a Director. Nurole has no other connection with the Company.

INDUCTION AND TRAINING

New appointees to the Board are provided with a full induction programme. The programme covers the Company's investment strategy, policies and practices. The Directors are also given key information on the Company's regulatory and statutory requirements as they arise including information on the role of the Board, matters reserved for its decision, the terms of reference of the Board committees, the Company's corporate governance practices and procedures and the latest financial information. It is the Chair's responsibility to ensure that the Directors have sufficient knowledge to fulfil their role and Directors are encouraged to participate in training courses where appropriate.

DIVERSITY POLICY

The Board supports the principle of Boardroom diversity, of which gender and ethnicity are two important aspects. The Company's policy is that the Board and its committees should be comprised of directors with a diverse range of skills, knowledge and experience and that appointments should be made on merit against objective criteria, including diversity in its broadest sense.

The objective of the policy is to have a broad range of approaches, backgrounds, skills, knowledge and experience represented on the Board. To this end, achieving a diversity of perspectives and backgrounds on the Board will be a key consideration in any director search process. The Board encourages any recruitment agencies it engages to find a diverse range of candidates that meet the criteria agreed for each appointment and, from the shortlist, aims to ensure that a diverse range of candidates is brought forward for interview.

The UK Listing Rules require companies to report against the following diversity targets:

(a) At least 40% of individuals on the board are women;

(b) At least one of the senior board positions (Chair, CEO, CFO or SID) is held by a woman; and

(c) At least one individual on the board is from a minority ethnic background.

As an externally managed investment company, the Company does not have the positions of CEO or CFO and therefore, as permitted by the UK Listing Rules, it has not reported against the second target as it is not applicable.

As shown in the tables below, the Company has met the first and third targets.

In accordance with the UK Listing Rules, the Board has provided the following information in relation to its diversity as at the year end.

	Number of Board Members	Percentage of the Board	Number of Senior Positions on the Board
Men	4	57%	
Women	3	43%	Not applicable*
Not specified/prefer not to say	–	–	

	Number of Board Members	Percentage of the Board	Number of Senior Positions on the Board
White British or other White (including minority–white groups)	6	86%	Not applicable*
Mixed/Multiple Ethnic Groups	–	–	
Asian/Asian British	1	14%	
Black/African/Caribbean/Black British	–	–	
Other ethnic group	–	–	
Not specified/ prefer not to say	–	–	

*This column is inapplicable as the Company is externally managed and does not have executive management functions, specifically it does not have a CEO or CFO. The Chair of the Board and the SID are both men. However, the Company considers that the chairs of the permanent sub-committees of the Board are senior roles in an investment company context. Of the four permanent sub-committees of the Board, two are chaired by a woman: the Audit Committee and the Valuation Committee.

The information above was obtained by asking the Directors to complete a multiple choice form with the options in the tables set out above. The form asked the Directors to indicate how they should be categorised for the purposes of these disclosures.

BOARD EVALUATION

During the year an internal review of the Board, its committees and individual Directors (including each Director's independence) was carried out in the form of electronic performance evaluation questionnaires.

The review concluded that the Board worked in a collegiate, efficient and effective manner, and there were no material weaknesses or concerns identified. The Board is satisfied that the structure, mix of skills and operation of the Board, its committees, and individual Directors continue to be effective.

The Board pays close attention to the capacity of individual Directors to carry out their work on behalf of the Company. In recommending individual Directors to shareholders for re-election, it considered their other Board positions and their time commitments. The Board is satisfied that each Director has the capacity to be fully engaged with the Company's business.

The Board has considered the position of all of the Directors as part of the evaluation process, and believes that it would be in the Company's best interests to propose them for election or re-election at the forthcoming AGM for the following reasons:

Roger Yates was appointed to the Board on 1 December 2021. He was appointed as the Chair at the 2022 AGM. He has extensive knowledge of the investment sector, having held CIO positions at Morgan Grenfell and Invesco, and having led Henderson Group as CEO for 10 years. More recently, he has chaired and served on the boards of numerous investment and asset management companies.

Geoff Hsu, who has been a Director since May 2018, is a General Partner of OrbiMed, the Portfolio Manager. He has been a part of the team that manages the Company's portfolio since OrbiMed's appointment in 2005.

Dr Nicki Shepherd joined the Board in January 2021. Dr Shepherd has been working in the biomedical sector for 25 years across academia, large pharma and global biomedical charities. She brings breadth of experience across technology and therapeutic areas and the full product development pipeline from 'bench to bedside'.

Hamish Baillie joined the Board in November 2023. He is an experienced investment manager (having managed Ruffer Investment Company Ltd for more than 10 years) and non-executive director. He is the Senior Independent Director and chairs the Management Engagement Committee.

Julie Tankard joined the Board during the year, in September 2024. She is a Fellow of the Chartered Institute of Management Accountants and has extensive and varied experience in finance. She has been appointed to succeed Julia Le Blan as Chair of the Audit Committee following Mrs Le Blan's retirement at the forthcoming AGM.

The Chair is pleased to report that following the internal review the Directors' performance continues to be effective and they continue to demonstrate commitment to the role. Accordingly, the Board recommends that shareholders vote in favour of the Directors' election or re-election at the forthcoming AGM.

AUDIT, RISK AND INTERNAL CONTROL

The Statement of Directors' Responsibilities on page 57 describes the Directors' responsibility for preparing this report.

The Audit Committee Report, beginning on page 58, explains the work undertaken to allow the Directors to make this statement and to apply the going concern basis of accounting. It also sets out the main roles and responsibilities and the work of the Audit Committee throughout the year, and describes the Directors' review of the Company's risk management and internal control systems.

A description of the principal risks facing the Company and an explanation of how they are being managed is provided in the Strategic Report on pages 30 to 34.

The Board's assessment of the Company's longer-term viability is set out in the Strategic Report on page 35.

REMUNERATION

The Directors' Remuneration Report, beginning on page 63, sets out the levels of remuneration for each Director and explains how Directors' remuneration is determined.

By order of the Board

Frostrow Capital LLP
Company Secretary
3 June 2025

REPORT OF THE DIRECTORS

The Directors present this Annual Report on the affairs of the Company together with the audited financial statements and the Independent Auditor's Report for the year ended 31 March 2025. Disclosures relating to performance, future developments and risk management can be found in the Strategic Report on pages 1 to 38.

COMPANY MANAGEMENT

ALTERNATIVE INVESTMENT FUND MANAGER

Frostrow, under the terms of its AIFM agreement with the Company (the AIFM Agreement) provides, *inter alia*, the following services:

- delegation (subject to the oversight of Frostrow and the Board) of the portfolio management function to OrbiMed;
- investment portfolio administration and valuation;
- risk management services;
- marketing and shareholder services;
- share price discount and premium management services;
- administrative and secretarial services;
- advice and guidance in respect of corporate governance requirements;
- maintenance of the Company's accounting records;
- preparation and dispatch of annual and half yearly reports and monthly fact sheets;
- ensuring compliance with applicable legal and regulatory requirements; and
- maintenance of the Company's website.

Under the terms of the AIFM Agreement, Frostrow is entitled to receive a periodic fee equal to 0.30% per annum on the Company's market capitalisation up to £500m, 0.20% on market capitalisation above £500m to £1bn and 0.10% on market capitalisation over £1bn.

Either party may terminate the AIFM Agreement on not less than 12 months' notice.

PORTFOLIO MANAGER

OrbiMed, under the terms of its portfolio management agreement with the AIFM and the Company (the Portfolio Management Agreement) provides, *inter alia*, the following services:

- the seeking out and evaluating of investment opportunities;
- recommending the manner by which monies should be invested, disinvested, retained or realised;
- advising on how rights conferred by the investments should be exercised;
- analysing the performance of investments made; and
- advising the Company in relation to trends, market movements and other matters which may affect the investment objective and policy of the Company.

OrbiMed receives a periodic fee equal to 0.65% per annum of the Company's net asset value. The proportion of the Company's assets committed for investment in OrbiMed Asia Partners L.P., a limited partnership managed by OrbiMed Asia G.P., L.P., an affiliate of the Portfolio Manager, is excluded from the fee calculation.

The Portfolio Management Agreement may be terminated by the Company, Frostrow or the Portfolio Manager giving notice of not less than 12 months.

PERFORMANCE FEE

The Portfolio Manager is entitled to the payment of a performance fee which is dependent on the long-term performance of the Company. The performance fee is calculated by reference to the amount by which the Company's NAV has outperformed the NASDAQ Biotechnology Index (total return, net of withholding tax, sterling adjusted), the Company's benchmark index.

The fee is calculated quarterly by comparing the cumulative performance of the Company's NAV with the cumulative performance of the Benchmark since the commencement of the performance fee arrangement on 30 June 2005. The performance fee amounts to 15% of any outperformance over the Benchmark. Provision is also made within the daily NAV per share calculation as required and in accordance with generally accepted accounting standards.

In order to ensure that only sustained outperformance is rewarded, at each quarterly calculation date any performance fee is based on the lower of:

(i) the cumulative outperformance of the NAV over the Benchmark as at the quarter end date; and

(ii) the cumulative outperformance of the NAV over the Benchmark as at the corresponding quarter end date in the previous year.

REPORT OF THE DIRECTORS CONTINUED

In addition, a performance fee only becomes payable to the extent that the cumulative outperformance gives rise to a total fee greater than the total of all performance fees paid to date. No performance fees were paid during the year and as at the date of this report, there is no provision for future payments (see note 3 on page 84 for further details).

The proportion of the Company's assets invested in OrbiMed Asia Partners L.P. is excluded from the performance fee calculation.

DEPOSITARY, CUSTODIAN AND PRIME BROKER

The Company has appointed J.P. Morgan Europe Limited (the Depositary) as its depositary. Under the terms of the Depositary Agreement, the Company has agreed to pay the Depositary a fee calculated at 1.75 bps on net assets up to £150 million, 1.50 bps on net assets between £150 million and £300 million, 1.00 bps on net assets between £300 million and £500 million and 0.50 bps on net assets above £500 million.

The Depositary has delegated the custody and safekeeping of the Company's assets to J.P. Morgan Securities LLC which acts as the Company's Custodian and Prime Broker.

Under the terms of a Delegation Agreement, liability for the loss of the Company's financial instruments held in custody by J.P. Morgan Securities LLC has been transferred from the Depositary to J.P. Morgan Securities LLC in accordance with the AIFMD. While the Depositary Agreement prohibits the re-use of the Company's assets by the Depositary or the Custodian and Prime Broker without the prior consent of the Company or Frostrow, the Company has consented to the transfer and re-use of its assets by the Custodian and Prime Broker (known as rehypothecation) in accordance with the terms of an institutional account agreement between the Company, J.P. Morgan Securities LLC and certain other J.P. Morgan entities (as defined therein). This activity is undertaken in order to take advantage of lower financing costs on the Company's loan borrowings as well as lower custody charges.

J.P. Morgan Securities LLC is a registered broker-dealer and is accordingly subject to limits on rehypothecation, in accordance with SEC rules. In the event of J.P. Morgan's insolvency, the Company may be unable to recover in full all assets held by J.P. Morgan as collateral for the loan or as Custodian (see note 15 beginning on page 90 for further details).

AIFM AND PORTFOLIO MANAGER EVALUATION AND RE-APPOINTMENT

The performance of the AIFM and the Portfolio Manager is reviewed by the Board with a formal evaluation being undertaken by the Management Engagement Committee (the MEC) each year. As part of this process, the Board monitors the services provided by the AIFM and the Portfolio Manager and receives regular reports and views from them. The Board also receives comprehensive performance measurement reports to enable it to determine whether or not the performance objectives set by the Board have been met. The MEC reviewed the appointment of the AIFM and the Portfolio Manager in February 2025 with a recommendation being made to the Board. Geoff Hsu is a General Partner of the Portfolio Manager and so recused himself from the Board's decision on OrbiMed's re-appointment.

The Board believes the continuing appointment of the AIFM and the Portfolio Manager is in the interests of shareholders as a whole. In coming to this decision, the Board took into consideration the following reasons:

– the quality and depth of experience allocated by the Portfolio Manager to the management of the portfolio and the level of performance over the long term, both in absolute terms and relative to the Benchmark. The Board recognises that performance has been challenging in the shorter term, but retains its confidence in the investment process, which it believes is robust;

– the quality and depth of experience of the company management, company secretarial, administrative and marketing team that the AIFM allocates to the management of the Company; and

– the terms of the AIFM and Portfolio Management Agreements, in particular the level and method of remuneration and the notice period, and the comparable arrangements of a group of the Company's peers.

On the recommendation of the MEC, the Board resolved that both the AIFM and the Portfolio Manager should continue to be appointed on the same terms and conditions set out above.

LOAN FACILITY

The Company's borrowing requirements are met through the utilisation of a loan facility, repayable on demand, provided by J.P. Morgan Securities LLC. The potential draw down of the Company's loan facility with J.P. Morgan is limited to 50% of the Company's Marginable Securities*; however under the Company's investment policy, the maximum amount of gearing permitted is 20% of net assets (further details can be found in note 1 beginning on page 79 and note 15 beginning on page 90). The Company was ungeared at the year end.

*See glossary beginning on page 100.

SHARE CAPITAL

At 31 March 2025, there were 27,112,591 ordinary shares of 25p each (shares) in issue (2024: 33,487,198). All shares rank equally for dividends and distributions. Each shareholder is entitled to one vote on a show of hands and, on a poll, to one vote for every share held.

At the start of the year under review, the Directors had shareholder authority to issue up to 3,724,702 shares on a non-pre-emptive basis and, having utilised a proportion of the authority granted at the 2023 AGM, to buy back up to 3,399,019 shares in the market. At the Company's AGM held on 18 July 2024, these authorities expired and new authorities to allot up to 3,228,719 shares (representing 10% of the Company's issued share capital at the time) on a non-pre-emptive basis and to buy back up to 4,929,790 shares (representing 14.99% of the Company's issued share capital at the time) were granted. After utilising the majority of the buyback authority granted at the AGM, a renewed authority to buy back up to 4,255,299 shares was granted at a general meeting held on 27 February 2025.

No new shares were issued during the year. In total, 6,374,607 shares were repurchased during the year and cancelled; there are no shares held in Treasury. Further information on the Company's share issuance and buyback policies can be found on pages 29 and 30.

The giving of powers to issue or buy back the Company's shares requires the relevant resolution to be passed by shareholders. Proposals for the renewal of the Board's authorities to issue and buy back shares are detailed in the Notice of AGM beginning on page 105.

There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to the securities; no restrictions on voting rights; no agreements between holders of securities regarding their transfer known to the Company; and no agreements which the Company is party to that might affect its control following a successful takeover bid.

ANNUAL GENERAL MEETING

THE FOLLOWING INFORMATION TO BE CONSIDERED AT THE FORTHCOMING ANNUAL GENERAL MEETING IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the action you should take, you should seek advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (as amended). If you have sold or transferred all of your ordinary shares in the Company, you should pass this document, together with any other accompanying documents, including the form of proxy, at once to the purchaser or transferee, or to the Stock broker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The Company's AGM will be held at the Barber-Surgeons' Hall, Monkwell Square, Wood St, Barbican, London EC2Y 5BL on Thursday, 17 July 2025 at 12 noon.

In particular, resolutions relating to the following items of business will be proposed at the forthcoming AGM.

Resolution 9 Authority to allot shares

Resolution 10 Authority to disapply pre-emption rights

Resolution 11 Authority to buy back shares

Resolution 12 Authority to apply to the court to cancel the Company's share premium account and capital redemption reserve in order to increase the Company's distributable reserves

Resolution 13 Authority to hold General Meetings (other than the AGM) on at least 14 clear days' notice

Resolution 14 Authority for the Company to continue as an investment trust for a further five years

The full text of the resolutions can be found in the Notice of AGM on pages 105 to 107. Explanatory notes regarding the resolutions can be found on pages 108 to 109.

DIRECTORS

DIRECTORS' FEES

A report on Directors' Remuneration and the Directors' Remuneration Policy are set out on pages 63 to 67.

DIRECTORS' & OFFICERS' LIABILITY INSURANCE COVER

Directors' & Officers' liability insurance cover was maintained by the Board during the year ended 31 March 2025. It will continue in effect for the year ending 31 March 2026 and subsequent years.

DIRECTORS' INDEMNITIES

As at the date of this report, indemnities are in force between the Company and each of its Directors under which the Company has agreed to indemnify each Director, to the extent permitted by law, in respect of certain liabilities incurred as a result of carrying out his/her role as a Director of the Company. The Directors are also indemnified against the costs of defending any criminal or civil proceedings or any claim by the Company or a regulator as they are incurred provided that where the defence is unsuccessful the Director must repay those defence costs to the Company. The indemnities are qualifying third party indemnity provisions for the purposes of the Companies Act 2006.

A copy of each deed of indemnity is available for inspection at the Company's registered office during normal business hours and will be available for inspection at the Annual General Meeting.

SUBSTANTIAL INTERESTS IN SHARE CAPITAL

As at 31 March 2025, the Company had been notified of the following substantial interests in the Company's voting rights.

	Number of shares held	% held
Rathbones	2,061,139	5.0%
Brewin Dolphin	1,779,234	4.6%

This table reflects those shareholders who have notified the Company of a substantial interest in its shares when they have crossed certain thresholds and may not reflect their current holding. The table does not reflect the full range of investors in the Company. The shareholder register is principally comprised of private wealth managers and retail investors owning their shares through a variety of online platforms. A profile of the Company's ownership is shown on page 99.

After the year end, on 7 May 2025, City of Bradford - West Yorkshire Pension Fund notified the Company that it held 1,070,689 shares (4.0%) in the Company. At the date of this report, there had been no other substantial interests or changes to substantial interests notified to the Company.

FINANCIAL INSTRUMENTS

The Company's financial instruments comprise its portfolio, including derivative instruments, cash balances, debtors and creditors that arise directly from its operations, such as sales and purchases awaiting settlement, accrued income and the loan facility. The financial risk management and policies arising from its financial instruments are disclosed in note 15 to the financial statements beginning on page 90.

RESULTS AND DIVIDEND

The results attributable to shareholders for the year and the transfer from reserves are shown on pages 75 and 77. No dividend is proposed in respect of the year ended 31 March 2025 (2024: nil).

ALTERNATIVE PERFORMANCE MEASURES

The financial statements (on pages 75 to 97) set out the required statutory reporting measures of the Company's financial performance. In addition, the Board assesses the Company's performance against a range of criteria which are viewed as particularly relevant for investment trusts, which are summarised on page 1 and explained in greater detail in the Strategic Report, under the heading 'Key Performance Indicators' on pages 29 to 30. The Directors believe that these measures enhance the comparability of information between reporting periods and aid investors in understanding the Company's performance.

The measures used for the year under review are consistent with the prior year.

Definitions of the terms used and the basis of their calculation are set out in the glossary beginning on page 100.

AWARENESS AND DISCLOSURE OF RELEVANT AUDIT INFORMATION

So far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act) of which the Company's auditors are unaware.

Each of the Directors has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information (as defined) and to establish that the Company's auditors are aware of that information.

The above confirmation is given and should be interpreted in accordance with the provision of Section 418(2) of the Companies Act 2006.

POLITICAL AND CHARITABLE DONATIONS

The Company has not made in the past and does not intend in the future to make political or charitable donations.

MODERN SLAVERY ACT 2015

The Company does not provide goods or services in the normal course of business, and as a financial investment vehicle, does not have customers. Therefore, the Directors do not consider that the Company is required to make a statement under the Modern Slavery Act 2015 in relation to slavery or human trafficking. The Company's suppliers are typically professional advisers and the Company's supply chains are considered to be low risk in this regard.

ANTI-BRIBERY AND CORRUPTION POLICY

The Board has a zero-tolerance approach to instances of bribery and corruption. Accordingly, it expressly prohibits any Director or associated persons, when acting on behalf of the Company, from accepting, soliciting, paying, offering or promising to pay or authorise any payment, public or private, in the United Kingdom or abroad to secure any improper benefit for themselves or for the Company.

A copy of the Company's anti-bribery and corruption policy can be found on its website at www.biotechgt.com. The policy is reviewed annually by the Audit Committee.

CRIMINAL FINANCES ACT 2017

The Board has a zero-tolerance approach to the criminal facilitation of tax evasion. A copy of the Company's policy on preventing the facilitation of tax evasion can be found on the Company's website www.biotechgt.com. The policy is reviewed annually by the Audit Committee.

GLOBAL GREENHOUSE GAS EMISSIONS

The Company is an investment trust, with neither employees nor premises, nor has it any financial or operational control of the assets it owns. It has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Reports and Directors' Reports) Regulations 2013 or the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, including those within the Company's underlying investment portfolio. The Company consumed less than 40,000 kWh of energy during the year and therefore is exempt from the disclosures required under the Streamlined Energy and Carbon Reporting criteria.

COMMON REPORTING STANDARD (CRS)

CRS is a global standard for the automatic exchange of information commissioned by the Organisation for Economic Cooperation and Development and incorporated into UK law by the International Tax Compliance Regulations 2015. CRS requires the Company to provide certain additional details to HMRC in relation to certain shareholders. The Registrars, MUFG Corporate Markets, have been engaged to collate such information and file the reports with HMRC on behalf of the Company.

CORPORATE GOVERNANCE

The Corporate Governance Report set out on pages 42 to 50 forms part of the Report of the Directors.

NOMINEE SHARE CODE

Where shares are held in a nominee company name and where the beneficial owner of the shares is unable to vote in person, the Company nevertheless undertakes:

REPORT OF THE DIRECTORS CONTINUED

- to provide the nominee company with multiple copies of shareholder communications, so long as an indication of quantities has been provided in advance; and
- to allow investors holding shares through a nominee company to attend general meetings, provided the correct authority from the nominee company is available.

Nominee companies are encouraged to provide the necessary authority to underlying shareholders to attend the Company's general meetings.

BENEFICIAL OWNERS OF SHARES – INFORMATION RIGHTS

Beneficial owners of shares who have been nominated by the registered holder of those shares to receive information rights under section 146 of the Companies Act 2006 are required to direct all communications to the registered holder of their shares rather than to the Company's registrar, MUFG Corporate Markets, or to the Company directly.

SECURITIES FINANCIAL TRANSACTIONS REGULATION (SFTR) DISCLOSURE

Securities financing transactions (SFTs) include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions. Whilst the Company does not engage in such SFTs it does engage in Total Return Swaps (TRS). The Company's exposure to TRS can be found on the Company's website www.biotechgt.com.

UK SANCTIONS

The Board has made due diligence enquiries of the service providers that process the Company's shareholder data, to ensure the Company's compliance with the UK sanctions regime. The relevant service providers have confirmed that they check the Company's shareholder data against the UK sanctions list on a daily basis. At the date of this report, no sanctioned individuals had been identified on the Company's shareholder register. The Board notes that stockbrokers and execution-only platforms also carry out their own due diligence.

ARTICLES OF ASSOCIATION

Amendment of the Company's Articles of Association requires a special resolution to be passed by shareholders.

There are no changes proposed this year.

By order of the Board

Frostrow Capital LLP
Company Secretary
3 June 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the financial statements in accordance with UK-adopted international accounting standards. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK-adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a directors' report, a strategic report and directors' remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the Annual Report and financial statements, taken as a whole, are fair, balanced, and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

WEBSITE PUBLICATION

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE ANNUAL REPORT

We confirm that to the best of our knowledge:

- the financial statements have been prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and the return of the Company for the year ended 31 March 2025; and
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that they face.

The Directors consider the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board

Roger Yates
Chair
3 June 2025

AUDIT COMMITTEE REPORT

COMPOSITION AND MEETINGS

The Audit Committee (the Committee) comprises all of the independent Directors, except the Chair of the Board, whose biographies can be found on pages 40 to 41. Julia Le Blan was appointed Chair of the Committee in July 2017. She will retire at the AGM in July and will be succeeded by Julie Tankard. The Board recognises the requirement for the Committee as a whole to have competence relevant to the sector in which the Company operates. The Committee members have a combination of financial, investment and business experience which is relevant to both the biotechnology and investment trust sectors.

The Committee met three times during the year. Attendance by each Director is shown in the table on page 46.

Role and Responsibilities of the Committee:

1. **To review the Company's half-yearly and annual financial statements.**
2. **To advise the Board on whether the Annual Report, taken as a whole, is fair, balanced and understandable.**
3. **To review the risk management and internal control processes of the Company and its key service providers.**
4. **To assess the effectiveness of the external audit as well as the independence and objectivity of the Auditor.**
5. **To be responsible for the selection/tender process for the external Auditor, to agree the scope of the external Auditor's work and set their remuneration.**
6. **To review and approve any non-audit work to be carried out by the Auditor.**
7. **To consider the need for an internal audit function.**
8. **To assess the going concern and longer-term viability of the Company.**
9. **To report its findings to the Board.**

A comprehensive description of the Committee's role, its duties and responsibilities, can be found in its terms of reference which are available for review on the Company's website at www.biotechgt.com.

SIGNIFICANT ISSUES CONSIDERED BY THE COMMITTEE DURING THE YEAR

FINANCIAL STATEMENTS

The production of the Annual Report (including the external audit) is a thorough process involving input from a number of different organisations. In order to be able to confirm that the Annual Report is fair, balanced and understandable, the Board has requested that the Committee advise on whether it considers these criteria have been satisfied. As part of this process, the Committee has considered:

- the procedures followed in the production of the Annual Report, including the processes in place to ensure the accuracy of the factual content;
- the extensive levels of review that were undertaken in the production process by the AIFM and the Committee; and
- the internal control environment as operated by the Portfolio Manager, AIFM and other service providers.

As a result of the work undertaken by the Committee, it has confirmed that the Annual Report for the year ended 31 March 2025, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's financial position, performance, business model and strategy. The Committee has confirmed this to the Board.

VALUATION AND OWNERSHIP OF INVESTMENTS

The Committee approached and dealt with this area of risk by:

- seeking confirmation from the AIFM that all investment holdings (and cash/deposit balances) had been agreed to an independent confirmation from the Custodian and Prime Broker. In addition, the Committee reviewed details of the internal control procedures in place at the Portfolio Manager, the AIFM and the Custodian and Prime Broker and also received regular reports from the Depositary (whose role it is to safeguard the Company's assets and to verify their valuation);
- reconfirming its understanding of the processes in place to record investment transactions and income, and to value the portfolio;
- reviewing and amending, where necessary, the Company's register of key risks in light of changes to the portfolio and the investment environment; and

- gaining an overall understanding of the performance of the portfolio both in capital and revenue terms through comparison to the Benchmark.

Valuation of Unquoted Investments

The Company has the ability to make unquoted investments up to a limit of 10% of the portfolio at the time of acquisition. Both the Directors and the AIFM need to ensure that an appropriate value is placed on such investments within the Company's published net asset value. The Committee has worked with the Portfolio Manager and the AIFM to establish clear guidelines for the valuation of unquoted investments, including the use of valuations produced by independent external valuers, where appropriate.

The Valuation Committee considers in detail the valuations and valuation methodologies employed in respect of the unquoted assets. The Valuation Committee also considers whether the third party valuer has followed appropriate standards and established valuation procedures, taking into account the views of the Company's external auditor.

Valuations are adjusted both during regular valuation cycles (currently a three month rolling cycle) and, if necessary, on an ad hoc basis in response to material events such as a significant change in fundamentals or a takeover approach. This process ensures that the private companies in the portfolio are valued in both a fair and timely manner. Any ad hoc changes are reflected in the next day's published NAV, which is announced to the stock exchange.

The Audit Committee reviewed the minutes of the Valuation Committee meetings held after the year end and the half year end and noted the recommendations it had made to the Board.

RECOGNITION OF REVENUE FROM INVESTMENTS

The Committee took steps to gain an understanding of the processes in place to record investment income and transactions. The Committee sought and received confirmation from the AIFM that all dividends both received and receivable had been accounted for correctly. The Committee noted and took comfort from the segregation of duties in place between the AIFM and the Custodian and Prime Broker.

OTHER REPORTING MATTERS

AUDIT REGULATION

The Committee has not had to consider any new audit regulations in the past year. It has, however, taken note of reporting guidance and thematic reviews published by the FRC and determined how to apply any relevant best practice to the Company's reporting.

The Committee also reviews the outcomes of the FRC's annual Audit Quality Reviews and discusses the findings with the Auditor.

The Committee reviewed an analysis prepared by the Company Secretary assessing the Company's policies, processes, guidelines and reporting against the Minimum Standard for Audit Committees published by the FRC and the revised AIC Corporate Governance Code. The Minimum Standard applies to the Company on a comply or explain basis as it is included by reference in the new AIC Corporate Governance Code. The Committee seeks to comply with the Standard as far as it is appropriate for an externally managed investment company to do so. As a result of the review, a number of minor updates were made to the Company's audit tender guidelines, the Committee's terms of reference, and the annual audit effectiveness questionnaire completed by the Auditor, the AIFM and the Committee.

INVESTMENT TRUST STATUS

The Committee sought and received confirmation from Frostrow that the Company continues to comply with Section 1158 of the Corporation Tax Act 2010, so that its status as an investment trust is maintained.

CALCULATION OF AIFM, PORTFOLIO MANAGEMENT AND PERFORMANCE FEES

The AIFM, portfolio management and performance fees are calculated in accordance with the AIFM and Portfolio Management Agreements. Both the Committee and the Auditor review and agree the calculation of any performance fee that becomes payable, however no performance fees became payable during the year under review.

INVESTMENT PERFORMANCE

The Committee gained an overall understanding of the performance of the investment portfolio, both in capital and revenue terms, through ongoing discussions with the Portfolio Manager and also with comparison to suitable key performance indicators.

AUDIT COMMITTEE REPORT CONTINUED

ACCOUNTING POLICIES

During the year, the Committee ensured that the accounting policies, as set out on pages 79 to 84, were applied consistently throughout the year. In light of there being no unusual transactions during the year or other possible reasons, the Committee agreed that there was no reason to change the policies.

GOING CONCERN

Having reviewed the Company's financial position and liabilities, the Committee is satisfied that it is appropriate for the Board to prepare the financial statements on the going concern basis. The Committee's review of the Company's financial position included consideration of the cash and cash equivalent position of the Company; the diversification of the portfolio; and an analysis of portfolio liquidity, which estimated a liquidation of c.97.0% of the portfolio within seven trading days (based on current market volumes). Stress testing was also conducted as described below. Further information is provided in the Strategic Report on page 34.

VIABILITY STATEMENT

The Committee considered the longer-term viability of the Company in connection with the Board's statement in the Strategic Report on page 35. The Committee reviewed the Company's financial position (including its cash flows and liquidity position), the principal risks and uncertainties and the results of stress tests. The tests assumed falls in the Company's NAV and reductions in the liquidity of the portfolio and then examined the effect this would have on the Company's expenses and the Company's ability to meet its liabilities as they fell due.

In even the most stressed scenario, the Company was shown to have sufficient cash, or to be able to liquidate a sufficient portion of its listed holdings, in order to be able to meet its liabilities as they fall due. Based on the information available to the Directors at the time, the Committee concluded it was reasonable for the Board to expect that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five financial years.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is ultimately responsible for the Company's risk management and internal control systems and for reviewing their effectiveness. Operational responsibility is delegated to the Audit Committee.

A description of the principal risks facing the Company and an explanation of how they are managed is provided in the Strategic Report on pages 30 to 34. The Directors have a robust process for identifying, evaluating and managing the risks faced by the Company, including emerging risks, which are recorded in a risk schedule.

The Committee reviewed the risk schedule at each of its three meetings during the year. One of the Committee meetings was a dedicated meeting to evaluate the Company's risks, identify emerging risks, and discuss the Board's approach to monitoring and managing them. The Audit Committee, on behalf of the Board, assessed the likelihood of occurrence and the possible impact of each risk. The Committee then recorded the mitigating controls in place.

As an externally managed investment trust, the Company is reliant on the operational systems of its service providers and this is reflected in the Company's internal controls structure, which is summarised on page 43. The Company's internal controls are designed to manage and mitigate against financial, investment, reporting, compliance and governance risks. As such, the controls aim to ensure that, *inter alia*:

- The assets of the Company are safeguarded;
- Proper accounting records are kept;
- The Company's financial information is reliable and clearly communicated to shareholders;
- There is an effective governance and oversight system in place;
- The Portfolio Manager complies with the Company's investment policy; and
- The Company complies with all legal and regulatory requirements.

Internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve the Company's strategic objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board and the Committee monitored the Company's risk management and internal control framework throughout the year through the review of reports from the principal service providers, as set out on page 43.

The principal service providers each provided a letter confirming that there had been no material changes in their internal controls between the date of their internal controls report and the Company's year end.

Following its review, the Committee concluded that there were no significant control weaknesses or other issues that were required to be brought to the attention of the Board. The Committee is satisfied that appropriate systems have been in place for the year under review and up to the date of approval of this report.

HALF YEAR REPORT AND FINANCIAL STATEMENTS

The Committee reviewed the Half Year Report and financial statements, which are not audited or reviewed by the Auditor, to ensure that the accounting policies were consistent with those used in the annual financial statements and that the report met the requirements of the FCA's Disclosure Guidance and Transparency Rules.

INTERNAL AUDIT

The Committee considered whether there was a need for the Company to have an internal audit function. As the Company delegates its day-to-day operations to third parties and has no employees, the Committee concluded that there was no such need.

EXTERNAL AUDITOR

APPOINTMENT AND TENURE

BDO LLP (BDO) was the Auditor for the financial year and this was their sixth audit of the Company.

Gary Fensom was the audit partner for the financial year under review and this was his first audit of the Company.

THE AUDIT

The Committee reviewed BDO's audit plan on 13 November 2024. The review considered, *inter alia*, the scope of the audit, the level of materiality, the audit risks identified by BDO, the Auditor's approach to testing the portfolio, and pertinent regulatory developments. The Committee met with BDO on 12 May 2025 to discuss the progress of the audit and the draft Annual Report. The Committee then met BDO on 22 May 2025 to review formally the outcome of the audit.

The Auditor was provided with an opportunity to meet with the Committee without the AIFM or the Portfolio Manager being present. No concerns were raised by the Auditor or the Committee in relation to the service provided by the AIFM or the Portfolio Manager. There were no material or significant adverse matters brought to the Committee's attention in respect of the 2025 audit, which should be brought to shareholders' attention.

INDEPENDENCE AND EFFECTIVENESS:

The Committee evaluated the independence of the Auditor and the effectiveness of the external audit. In order to fulfil this responsibility, the Committee reviewed:

– the senior audit personnel in the audit plan for the year, in order to ensure that there were sufficient, suitably experienced staff with knowledge of the investment trust sector working on the audit;

– the steps the Auditor takes to ensure its independence and objectivity including their arrangements concerning any conflicts of interest;

– the extent of any non-audit services provided by the Auditor during the year;

– the statement by the Auditor that they remain independent within the meaning of the regulations and their professional standards;

– the audit quality review results published by the FRC and BDO's response to the findings;

– the Auditor's fulfilment of the agreed audit plan, including their ability to communicate with management and to resolve any issues promptly and satisfactorily;

– the presentation of the audit findings including, in particular, the Auditor's commentary on the Company's system of internal controls and the audit partner's response to questions from the Committee; and

– feedback from BDO and Frostrow as the AIFM and Company Secretary on their working relationship.

The Committee is satisfied with the Auditor's independence and the effectiveness of the audit process.

REMUNERATION

The Committee approved a fee of £51,760 for the audit for the year ended 31 March 2025, including disbursements (2024: £51,760).

AUDIT COMMITTEE REPORT CONTINUED

NON-AUDIT SERVICES

BDO did not undertake any non-audit services during the year (2024: none).

Pursuant to the Company's non-audit services policy, the provision of any non-audit services by the Auditor must be approved by the Audit Committee. A copy of the Company's non-audit services policy can be found on the Company's website: www.biotechgt.com

AUDITOR'S REAPPOINTMENT

BDO have indicated their willingness to continue to act as Auditor for the forthcoming year and a resolution for their re-appointment will be proposed at the Annual General Meeting.

As a public company listed on the London Stock Exchange, the Company is subject to mandatory auditor rotation requirements. Based on these requirements, another tender process will be conducted no later than 2029, for the year ending 31 March 2030. The Committee will, however, continue to consider annually the need to go to tender for audit quality, remuneration or independence reasons.

PERFORMANCE EVALUATION

The Committee's performance over the past year was reviewed as part of the annual Board performance review. The internal review considered the composition of the Committee and the efficacy of Committee meetings.

I am pleased to confirm that the evaluation result was positive and no matters of concern or requirements for change were identified.

Julia Le Blan
Chair of the Audit Committee
3 June 2025

DIRECTORS' REMUNERATION REPORT

The Directors' Remuneration Report is subject to an annual advisory shareholder vote and therefore an ordinary resolution for the approval of this report will be put to shareholders at the Company's forthcoming AGM.

The law requires the Auditor to audit certain disclosures provided in this report. Where disclosures have been audited, they are indicated as such and the Auditor's opinion is included in their report to shareholders beginning on page 68. The Remuneration Policy on page 67 forms part of this report.

As the Company has only non-executive directors, and therefore relatively simple remuneration arrangements, the Board has not established a separate remuneration committee. Instead, the independent Directors on the Board consider the framework for the Directors' remuneration on an annual basis. The independent Directors review the ongoing appropriateness of the Company's remuneration policy and the remuneration of individual Directors by reference to the activities of the Company and in comparison with other companies of a similar structure and size.

The simple fee structure reflects the non-executive nature of the Board, which itself reflects the Company's business model as an externally managed investment trust. Accordingly, statutory reporting requirements relating to executive directors' and employees' pay do not apply.

No communications have been received from shareholders regarding Directors' remuneration.

During the year, it was agreed to maintain the Directors' fee rates at their current levels for the year ending 31 March 2026, as reflected in the table below.

The table below shows the level of fees paid to Directors according to their role on the Board and the percentage increase from the prior year:

	Forecasted Year Ending 31 March 2026 Fee Level (per annum)	Year Ending 31 March 2025 Fee Level (per annum)	Year Ending 31 March 2024 Fee Level (per annum)	Year Ending 31 March 2023 Fee Level (per annum)	Year Ended 31 March 2022 Fee Level (per annum)	Year Ended 31 March 2021 Fee Level (per annum)
Chair of the Board	£44,000	£44,000	£42,000	£40,000	£40,000	£37,000
	–	+4.8%	+5.0%	–	+8.1%	–
Chair of the Audit Committee	£35,000	£35,000	£33,600	£32,000	£30,000	£28,500
	–	+4.2%	+5.0%	6.7%	+5.3%	–
Chair of the Management Engagement Committee	£33,000	£33,000	£31,500	£30,000	£30,000	£28,500
	–	+4.8%	+5.0%	–	+5.3%	–
Director	£30,000	£30,000	£28,875	£27,500	£27,500	£26,000
	–	+3.9%	+5.0%	–	+5.8%	–

The percentage changes shown in the table above reflect the changes in the gross annual fee agreed for each role. Where a Director was appointed or retired during the year, a pro rata fee would have been paid. The amounts shown do not include taxable expenses paid to any of the Directors. The role of 'Director' means any Director who does not chair the Board or a Board committee.

The Board believes these levels of remuneration reflect both the time commitment and the level of responsibility of each role.

DIRECTORS' REMUNERATION REPORT CONTINUED

DIRECTORS' REMUNERATION FOR THE YEAR (AUDITED)

The Directors who served in the year received the following remuneration:

	Date of Appointment to the Board	Year ended 31 March 2025 Fees £	Taxable Benefits+ £	Total £	Year ended 31 March 2024 Fees £	Taxable Benefits+ £	Total £
Steve Bates^	8 July 2015	10,027	–	10,027	31,500	–	31,500
Lord Willetts	11 November 2015	30,000	–	30,000	28,875	–	28,875
Julia Le Blan	12 July 2016	35,000	–	35,000	33,600	–	33,600
Dr Nicki Shepherd	18 January 2021	30,000	–	30,000	28,875	–	28,875
Roger Yates	1 December 2021	44,000	–	44,000	42,000	–	42,000
Hamish Baillie	1 November 2023	32,258	2,418	34,676	12,031	629	12,660
Julie Tankard	3 September 2024	17,385	–	17,385	–	–	–
		198,670	2,418	201,088	176,881	629	177,510

The amounts shown in the table above exclude any employers' national insurance contributions, if applicable.

+ Taxable benefits primarily comprise travel and associated expenses incurred by the Directors in attending Board and Committee meetings in London. Any amounts shown would be subject to tax and National Insurance as a benefit in kind.

^ Steve Bates retired from the Board on 18 July 2024.

Geoff Hsu joined the Board on 16 May 2018. Mr Hsu has waived his Director's fee as he is a General Partner at OrbiMed, the Portfolio Manager, which is party to the Portfolio Management Agreement and receives fees as described on page 51 of this Annual Report.

The Directors are entitled to be reimbursed for reasonable expenses incurred by them in connection with the performance of their duties and attendance at Board and General Meetings.

In certain circumstances, under HMRC rules, travel and other out of pocket expenses reimbursed to the Directors may be considered as taxable benefits. Where expenses are classed as taxable under HMRC guidance they would be shown in the Taxable Benefits column of the table above.

RELATIVE COST OF DIRECTORS' REMUNERATION

To enable shareholders to assess the relative cost of Directors' remuneration, the table below shows the amount spent on Directors' fees compared with AIFM and portfolio management fees and the Company's other expenses, and the amount spent on share buybacks during the year.

	2025 £'000	2024 £'000	Difference £'000
Fees payable to non-executive Directors	199	177	22
AIFM, portfolio management fees and other re-occurring expenses	3,643	3,812	(169)
Repurchase of Company's own shares for cancellation	57,440	43,584	13,856

DIRECTORS' REMUNERATION REPORT

At the Annual General Meeting held in July 2024, the results in respect of the non-binding resolution to approve the Directors' Remuneration Report were as follows:

Percentage of votes cast For	Percentage of votes cast Against	Number of votes withheld
99.58%	0.42%	9,254

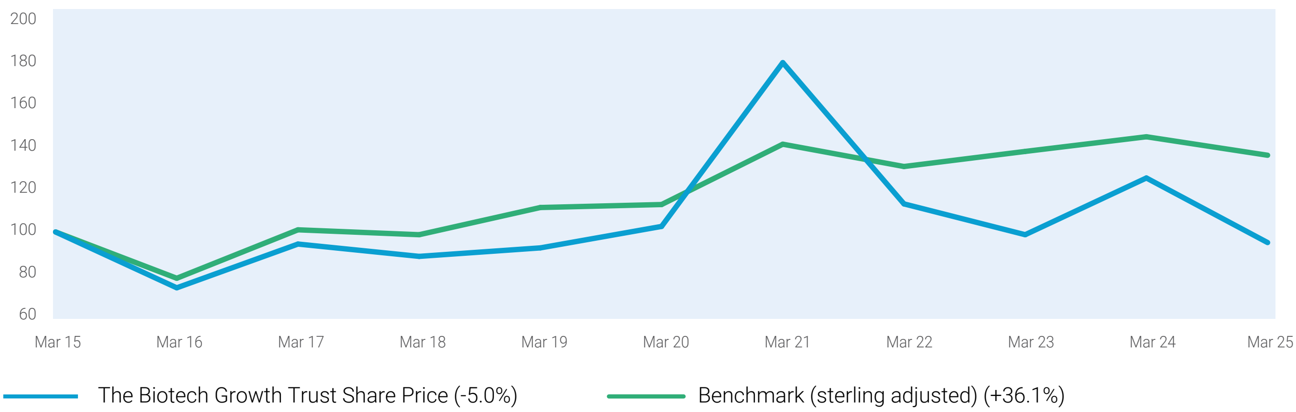
LOSS OF OFFICE

Directors do not have service contracts with the Company but are engaged under letters of appointment. These specifically exclude any entitlement to compensation upon leaving office for whatever reason.

SHARE PRICE TOTAL RETURN

The chart below compares the Company's share price total return with the NASDAQ Biotechnology Index (total return, net of withholding tax, sterling adjusted), which the Board has adopted as the principal comparator for both the Company's performance and that of the Portfolio Manager.

SHAREHOLDER TOTAL RETURN FOR TEN YEARS TO 31 MARCH 2025



Rebased to 100 as at 31 March 2015
Source: Bloomberg

DIRECTORS' REMUNERATION REPORT CONTINUED

DIRECTORS' INTERESTS IN SHARES (AUDITED)

The table below shows the interests in the Company's share capital of the Directors serving at the year end. There were no changes in the Directors' interests from the year end to the date of this report.

	Number of shares held as at	
	31 March 2025	31 March 2024
Roger Yates (Chair)	15,000	15,000
Hamish Baillie	7,200	3,000
Julia Le Blan	7,000	7,000
Geoff Hsu	nil	nil
Dr Nicki Shepherd	3,000	2,000
The Rt Hon Lord Willetts	nil	nil
Julie Tankard	1,022	nil

None of the Directors was granted or exercised rights over shares during the year. The Directors are not required to own shares in the Company.

Roger Yates
Chair
3 June 2025

DIRECTORS' REMUNERATION POLICY

DIRECTORS' REMUNERATION POLICY

The Board's policy is that fees payable to the Directors should reflect the time spent by the Board on the Company's affairs and the responsibilities borne by the Directors. Remuneration should be sufficient to enable candidates of a high calibre to be recruited. Directors are remunerated in the form of fees payable monthly in arrears, paid to the Director personally. There are no long-term incentive schemes, bonuses, share option schemes or pension arrangements and the fees are not specifically related to the Directors' performance, either individually or collectively. The Company does not have any employees.

None of the Directors has a service contract. The terms of their appointment provide that Directors shall retire and be subject to election at the first Annual General Meeting after their appointment and to re-election annually thereafter. The terms also provide that a Director may be removed without notice and that compensation will not be due on leaving office.

The fees for the Directors are determined within the limits set out in the Company's Articles of Association. The present aggregate limit is £350,000 per annum.

The Directors' Remuneration Policy is subject to a binding shareholder vote every three years. It was last approved at the AGM held in 2023 and it is therefore expected that it will next be recommended to shareholders at the AGM in 2026. Of the votes cast at the 2023 AGM, 99.54% were in favour and 0.46% were against.

This policy is reviewed annually and it is intended that it will continue for the year ending 31 March 2026 and for subsequent financial years.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BIOTECH GROWTH TRUST PLC

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Biotech Growth Trust PLC (the Company) for the year ended 31 March 2025 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the audit committee, we were appointed by the Board of Directors on 20 February 2020 to audit the financial statements for the year ended 31 March 2020 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 6 years, covering the years ended 31 March 2020 to 31 March 2025. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the appropriateness of the Directors' method of assessing the going concern in light of economic and market conditions by reviewing the information used by the Directors in completing their assessment;
- Evaluating the sensitivity analysis applied by the Directors in their going concern assessment including the impact of a significant reduction in the valuation of investments;
- Challenging the Directors' assumptions and judgements made in their forecasts including performing an independent analysis of the liquidity of the portfolio;
- Considering any other factors which could impact going concern such as non-compliance with laws and regulation, legal matters and the presence of contingencies and commitments; and
- Reviewing the disclosures in the financial statements relating to going concern to assess whether they are consistent with the Company's circumstances.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

OVERVIEW

		2024	2023[1]
Key audit matters	Valuation and ownership of quoted investments	✓	✓
	Valuation of unquoted investments	✗	✓
	The Company has reduced its holdings in private investments held, which now represent 1% of the investment portfolio (by value) as at 31 March 2025. Consequently, the valuation of unquoted investments is no longer considered to be a Key Audit Matter.		
Materiality	Company financial statements as a whole £2,210,000 (2024: £3,610,000) based on 1% (2024: 1%) of net assets		

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the scope of our audit addressed the key audit matter
Valuation and ownership of quoted investments "Note 1(B) – Investments" within Accounting Policies and "Note 8 – Investments" for further details.	
The investment portfolio at the year-end predominantly comprises of quoted equity investments held at fair value through profit or loss. We considered the valuation and ownership of investments to be a significant audit area, as investments represent the most significant balance in the financial statements and underpin the principal activity of the Company. With respect to valuation, while we do not consider the valuation of quoted investments to involve a significant degree of estimation or judgement, there is a risk that the prices used for the quoted investments held by the Company may not reflect their fair value at the year end. Additionally, in relation to ownership and recording, there is a risk of error in the recording of quoted investment holdings, which could result in the incorrect recognition of investments held by the Company. For these reasons, and due to the materiality of the balance in the context of the financial statements as a whole, we consider this to be a key audit matter.	We responded to this matter by testing the valuation and ownership of 100% of the quoted investment by performing the following procedures: • Confirmed that the year-end bid price had been used by agreeing to externally quoted prices; • Recalculated the valuation by multiplying the number of shares held (as per the statement independently obtained from the Custodian) by the price per share; • Assessed whether there were any contra indicators, such as liquidity considerations, that could suggest the bid price was not the most appropriate measure of fair value, by considering the realisation period for individual holdings; and • Obtained direct confirmation of the number of shares held per quoted investment from the Custodian. *Key observations:* Based on the procedures performed, we did not identify any matters to suggest that the valuation and ownership of quoted investments was not appropriate.

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Company financial statements	
	2025	*2024*
Materiality	£2,210,000	£3,610,000
Basis for determining materiality	1% of net assets	
Rationale for the benchmark applied	As an investment trust, the net asset value is the key measure of performance for users of the financial statements.	
Performance materiality	£1,657,500	£2,707,000
Basis for determining performance materiality	75% of materiality	
Rationale for the percentage applied for performance materiality	The level of performance materiality was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £110,500 (2024: £180,500). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

CORPORATE GOVERNANCE STATEMENT

The UK Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements, or our knowledge obtained during the audit.

Going concern and longer-term viability

- The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified as set out on pages 34 to 35; and
- The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate as set out on pages 34 to 35.

Other Code provisions

- Directors' statement on fair, balanced and understandable as set out on page 57;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks as set out on page 34;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems as set out on page 60; and
- The section describing the work of the Audit Committee as set out on pages 58 to 62.

OTHER COMPANIES ACT 2006 REPORTING

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

Directors' remuneration

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BIOTECH GROWTH TRUST PLC CONTINUED

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be Companies Act 2006, the FCA's UK Listing and DTR rules, the principles of the AIC Code of Corporate Governance, industry practice represented by the AIC SORP, the applicable accounting framework, and qualification as an Investment Trust under UK tax legislation as any non-compliance of this would lead to the Company losing various deductions and exemptions from corporation tax.

Our procedures in respect of the above included:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of management and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- Reading minutes of meetings of those charged with governance throughout the period for instances of non-compliance with laws and regulations; and
- Reviewing the calculation in relation to Investment Trust compliance to check that the Company was meeting its requirements to retain its Investment Trust status.

Fraud

We assessed the susceptibility of the financial statements to material misstatement including fraud.

Our risk assessment procedures included:

- Enquiry of the Alternative Investment Fund Manager and those charged with governance regarding any known or suspected instances of fraud;
- Reading minutes of meetings of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the areas most susceptible to be management override of controls.

In addressing the risk of management override of controls, we:

- Performed a review of estimates and judgements applied by the Directors in the financial statements to assess their appropriateness and the existence of any systematic bias;
- Considered the opportunity and incentive to manipulate accounting entries and target tested relevant adjustments made in the period end financial reporting process;
- Reviewed for significant transactions outside the normal course of business; and
- Performed a review of unadjusted audit differences, if any, for indications of bias or deliberate misstatement.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, who were deemed to have the appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Gary Fensom (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London UK

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

FINANCIAL STATEMENTS

IN THIS SECTION

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 Revenue £'000	2025 Capital £'000	2025 Total £'000	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000
Income	2	1,111	–	1,111	1,203	–	1,203
(Losses)/gains on investments held at fair value through profit or loss	8	–	(77,090)	(77,090)	–	79,143	79,143
Foreign exchange losses		–	(1,553)	(1,553)	–	(621)	(621)
AIFM and Portfolio management fees	3	(143)	(2,729)	(2,872)	(153)	(2,917)	(3,070)
Other expenses	4	(771)	(16)	(787)	(742)	(39)	(781)
Profit/(loss) before finance costs and taxation		197	(81,388)	(81,191)	308	75,566	75,874
Finance costs	5	(66)	(1,259)	(1,325)	(56)	(1,059)	(1,115)
Profit/(loss) before taxation		131	(82,647)	(82,516)	252	74,507	74,759
Taxation	6	(145)	–	(145)	(159)	–	(159)
(Loss)/profit for the year		(14)	(82,647)	(82,661)	93	74,507	74,600
Basic and diluted earnings/(loss) per share	7	0.0p	(262.3)p	(262.3)p	0.3p	206.7p	207.0p

The Company does not have any income or expenses which are not included in the (loss)/profit for the year. Accordingly the "(loss)/profit for the year" is also the "total comprehensive (loss)/profit for the year", as defined in IAS 1 (revised) and no separate Statement of Other Comprehensive Income has been presented.

The "Total" column of this statement represents the Company's Income Statement, prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards The "Revenue" and "Capital" columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

The accompanying notes from page 79 to page 97 are an integral part of this statement.

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Notes	2025 £'000	2024 £'000
Non current assets			
Investments held at fair value through profit or loss	8	217,414	394,712
Derivative – OTC equity swaps	8, 9	745	42
		218,159	394,754
Current assets			
Other receivables	10	17	14,535
Cash and cash equivalents	11	8,453	2,131
		8,470	16,666
Total assets		226,629	411,420
Current liabilities			
Other payables	12	5,423	2,575
Loan	15	–	47,078
Derivative – OTC equity swaps	8, 9	–	460
		5,423	50,113
Net assets		221,206	361,307
Equity attributable to equity holders			
Ordinary share capital	13	6,778	8,371
Share premium account		79,951	79,951
Capital redemption reserve		16,652	15,059
Capital reserve	17	118,804	258,891
Revenue reserve		(979)	(965)
Total equity		221,206	361,307
Net asset value per share	14	815.9p	1,078.9p

The financial statements on pages 75 to 97 were approved by the Board on 3 June 2025 and were signed on its behalf by:

Roger Yates
Chair

The accompanying notes from page 79 to page 97 are an integral part of this statement.

The Biotech Growth Trust PLC – Company Registration Number 03376377 (Registered in England and Wales)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Ordinary Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 1 April 2024		8,371	79,951	15,059	258,891	(965)	361,307
Net loss for the year		–	–	–	(82,647)	(14)	(82,661)
Repurchase of own shares for cancellation		(1,593)	–	1,593	(57,440)	–	(57,440)
At 31 March 2025	13, 14	6,778	79,951	16,652	118,804	(979)	221,206

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Ordinary Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 1 April 2023		9,684	79,951	13,746	227,968	(1,058)	330,291
Net profit for the year		–	–	–	74,507	93	74,600
Repurchase of own shares for cancellation		(1,313)	–	1,313	(43,584)	–	(43,584)
At 31 March 2024	13, 14	8,371	79,951	15,059	258,891	(965)	361,307

The accompanying notes from page 79 to page 97 are an integral part of this statement.

See note 17 on page 97 for details of the amounts of reserves available for distribution.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £'000	2024 £'000
Operating activities			
(Loss)/profit before taxation*		(82,516)	74,759
Finance costs		1,325	1,115
Losses/(gains) on investments held at fair value through profit or loss	8	75,033	(80,669)
Foreign exchange losses		1,553	621
Decrease/(increase) in other receivables		10	(6)
(Decrease)/increase in other payables		(347)	98
Taxation paid	6	(145)	(159)
Net cash outflow from operating activities		(5,087)	(4,241)
Investing activities			
Purchases of investments and derivatives		(429,202)	(350,835)
Sales of investments and derivatives		545,050	373,176
Net cash inflow from investing activities		115,848	22,341
Financing activities			
Repurchase of own shares for cancellation		(54,483)	(43,913)
Finance costs – interest paid		(1,325)	(1,115)
(Repayment)/drawdown of the loan facility		(48,484)	26,287
Net cash outflow from financing activities		(104,292)	(18,741)
Net increase/(decrease) in cash and cash equivalents		6,469	(641)
Cash and cash equivalents at start of year		2,131	2,772
Effect of movement in foreign exchange rates on cash and cash equivalents		(147)	–**
Cash and cash equivalents at end of year†	11	8,453	2,131

* Includes dividends received during the year of £964,000 (2024: £1,080,000) and deposit interest of £147,000 (2024: £123,000).
† Collateral cash held at Goldman Sachs £1,553,000 (2024: £2,131,000) and cash held in a liquidity fund £6,913,000 (2024: nil).
** 2024 impact immaterial.

CHANGES IN NET DEBT ARISING FROM FINANCING ACTIVITIES

	2025 £'000	2024 £'000
Balance as at 1 April	47,078	20,170
(Repayment)/drawdown of the loan facility	(48,484)	26,287
Foreign exchange losses	1,406	621
Loan balance at 31 March	–	47,078

The accompanying notes from page 79 to page 97 are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

(A) BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The material accounting policies adopted are set out below.

The financial statements have been prepared under the historical cost convention, except for the measurement at fair value of investments. Where presentational guidance is set out in the Statement of Recommended Practice (the SORP) for Investment Trust Companies and Venture Capital Trusts produced by the Association of Investment Companies (AIC) issued in July 2022, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

Going concern

The Directors are required to make an assessment of the Company's ability to continue as a going concern and have concluded that the Company has adequate resources to continue in operational existence until at least 3 June 2026, being 12 months from the date these financial statements were approved.

In making this assessment, the Directors have considered a wide variety of emerging and current risks to the Company, as well as the mitigation strategies that are in place. The Board has also reviewed stress-testing and scenario analyses prepared by the AIFM. The stress tests and scenario analyses considered the effect of various downturns, based on historic bear markets, on the asset value and expenses of the Company. The tests modelled the impact of decreases of up to 50% on the value of the investment portfolio.

These tests are carried out as an arithmetic exercise, which can apply equally to any set of circumstances in which asset value and income are significantly impaired. It was concluded that even in an extreme downside scenario, the Company would be able to continue to meet its liabilities as they fell due. Whilst the economic future is uncertain, the opinion of the Directors is that there is no foreseeable downside scenario that would threaten the Company's ability to continue to meet its liabilities as they fall due. The Company's shareholders are asked every five years to vote for the continuation of the Company and this will be put to shareholders at this year's AGM. The Board has recommended that shareholders vote in favour of the continuation of the Company and believes it is reasonable to expect that the vote will pass. Furthermore the result of the continuation vote will not affect the Company's ability to pay its liabilities as they fall due.

Based on the information available to the Directors at the time of this report, including the results of the stress tests and scenario analyses, and having taken account of the liquidity of the investment portfolio, the Company's cash flow and borrowing position, the Directors are satisfied that the Company has adequate financial resources to continue in operation until at least 3 June 2026, being 12 months from the date of signing these financial statements and that, accordingly, it is appropriate to adopt the going concern basis.

The Company's financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

Judgements and key sources of estimation and uncertainty

The preparation of the financial statements requires the Directors to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. In the process of applying the Company's accounting policies, the Directors have made the following estimates which are immaterial in the current year:

Fair value of the unquoted investments estimate

The Board has established a Valuation Committee to review the valuations and the valuation methodologies of the Company's unquoted investments. The Board has approved the valuations of the unquoted investments on the recommendation of the Valuation Committee.

The unquoted investment in OrbiMed Asia Partners L.P. has been valued using the Net Asset Value presented in the Statement of Partner's Capital Activity as at 31 December 2024, as permitted under the IPEV guidelines. The Statement of Partner's Capital Activity as at 31 March 2025 was received in May 2025 and was not materially different from the valuation at 31 December 2024. The Consolidated Financial Statements of the partnership for the year ended 31 December 2024 were audited by KPMG LLP (New Jersey Headquarters) and were approved on 28 March 2025.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1. ACCOUNTING POLICIES continued

The investment in New Horizon Health has been classed as unquoted due to the suspension of trading activity following the delay in the issuance of the company's Annual Report for 2023. It has been valued by Kroll, an independent valuer, using the probability-weighted expected returns methodology (PWERM). Under the PWERM, fair value is determined through consideration of the values of the investment under a range of scenarios. Each scenario is assigned a probability, with the value of the investment reflecting the sum of each scenario's valuation weighted by the probability of its occurrence. The valuations have been approved by the Board on the recommendation of the Valuation Committee.

The investment in Gracell Biotechnologies Contingent Value Rights (CVR) has also been valued by Kroll. Gracell's CVRs have been valued using the PWERM, discounted for the lack of marketability.

(B) INVESTMENTS

Investments are recognised and de-recognised on the trade date.

As the Company's business is investing in financial assets with a view to profiting from their total return in the form of dividends or increases in fair value, investments are classified as fair value through profit or loss (FVTPL) and are initially recognised at fair value. The Company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy, and information about the investments is provided internally on this basis to the Board.

Investments classified at fair value through profit or loss, which are quoted investments, are measured at subsequent reporting dates at fair value which is either the bid or the last trade price, depending on the convention of the exchange on which it is quoted.

In respect of unquoted investments, or where the market for a financial instrument is not active, fair value is established by using valuation techniques which may include using weighted expected returns, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models, inline with IPEV guidelines. Where there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, that technique is utilised.

Transfers between levels of fair value hierarchy are deemed to have occurred at the date of the event or change in circumstances that caused the transfer.

Gains and losses on disposal and fair value changes are also recognised in the Income Statement.

(C) PRESENTATION OF INCOME STATEMENT

In order to better reflect the activities of an investment trust company, and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. Net revenue is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in section 1158 of the Corporation Tax Act 2010. The requirements are to distribute net revenue but only so far as there are positive revenue reserves.

(D) INVESTMENT INCOME

Dividends receivable on equity shares are recognised on the ex-dividend date. Where no ex-dividend date is quoted, dividends are recognised when the Company's right to receive payment is established. Foreign dividends are grossed up at the appropriate rate of withholding tax, with the withholding tax recognised in the taxation charge.

Dividends from investments in unquoted shares and securities are also recognised when the Company's right to receive payment is established.

Income from fixed interest securities is recognised on a time appointment basis so as to reflect the effective interest rate.

In deciding whether a dividend should be regarded as a capital or revenue receipt, the Company reviews all relevant information as to the reasons for and sources of the dividend on a case by case basis depending upon the nature of the receipt.

Special dividends of a revenue nature are recognised through the revenue column of the Income Statement. Special dividends of a capital nature are recognised through the capital column of the Income Statement.

1. ACCOUNTING POLICIES continued

(E) EXPENSES AND FINANCE COSTS

All expenses are accounted for on an accruals basis. Expenses are charged through the Income Statement as follows:

- transaction costs on the acquisition or disposal of an investment are charged to the capital column of the Income Statement;
- expenses are charged to the capital column of the Income Statement where a connection with the maintenance or enhancement of the value of the investment can be demonstrated, and accordingly:
    - during the year, AIFM and Portfolio Management fees are charged 95% to the capital column of the Income Statement as the Directors expect that in the long term virtually all of the Company's returns will come from capital;
    - during the year, loan interest is charged 95% to the capital column of the Income Statement as the Directors expect that in the long term virtually all of the Company's returns will come from capital.
    - performance fees are charged 100% to the capital column of the Income Statement. Performance fees are recognised as a liability of the Company when they crystallise and become due for payment. Details of the performance fee are set out on pages 51 and 52; and
- all other expenses are charged to revenue column of the Income Statement.

(F) TAXATION

In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the Income Statement is the "marginal basis". Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue column of the Income Statement, then no tax relief is transferred to the capital column.

Investment trusts which have approval under Section 1158 Corporation Tax Act 2010 are not liable for taxation on capital gains.

Current tax is provided at the amounts expected to be paid or recovered.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the Balance Sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited directly to equity, or Other Comprehensive Income (OCI), in which case the deferred tax is also dealt with in equity or OCI respectively.

(G) FUNCTIONAL AND PRESENTATION CURRENCY

The financial information is shown in sterling, being the Company's presentation currency. In arriving at the functional currency the Directors have considered the following:

(i) the primary economic environment of the Company;

(ii) the currency in which the original capital was raised;

(iii) the currency in which distributions would be made;

(iv) the currency in which performance is evaluated; and

(v) the currency in which the capital would be returned to shareholders on a break up basis.

The Directors have also considered the currency to which the underlying investments are exposed and liquidity is managed. The Directors are of the opinion that sterling best represents the functional currency.

1. ACCOUNTING POLICIES continued

(H) RESERVES

Ordinary share capital

- represents the nominal value of the issued share capital.

Share premium account

- represents the surplus of net proceeds received from the issue of new shares over the nominal value of such shares. The Share premium account is non-distributable.

Capital redemption reserve

- a transfer will be made to this reserve on cancellation of the Company's own shares purchased, equal to the nominal value of the shares. This reserve is non-distributable.

Capital reserves

The following are credited or charged to the capital column of the Income Statement and then transferred to the Capital Reserve:

- gains or losses on disposal of investments;
- exchange differences of a capital nature;
- expenses allocated to this reserve in accordance with the above policies;
- increases and decreases in the valuation of investments held at year-end; and
- shares which have been bought back by the Company for cancellation.

Realised Capital Reserves, including the unrealised gains/losses from investments readily convertible to cash, are distributable by way of a dividend.

Revenue reserve

- reflects all income and expenditure recognised in the revenue column of the Income Statement. Amounts standing to the credit of the Revenue Reserve are distributable by way of dividend.

(I) OPERATING SEGMENTS

IFRS 8 requires entities to define operating segments and segment performance in the financial statements based on information used by the Board of Directors. The Directors are of the opinion that the Company is engaged in a single segment of business, being the investment business. The results published in this report therefore correspond to this sole operating segment.

(J) FINANCIAL INSTRUMENTS INCLUDING DERIVATIVE FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Company's contractual right to the cash flows from the asset expires or substantially all the risks and rewards of ownership are transferred. Financial liabilities are derecognised when the contractual obligation is discharged, with gains and losses recognised in the income statement.

The Company uses derivative financial instruments, namely equity swaps. All derivative instruments are valued initially, and at subsequent reporting dates, at fair value in the Statement of Financial Position.

The equity swaps are accounted for as non-current assets or current liabilities.

(K) CASH AND CASH EQUIVALENTS

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term deposits with a maturity of three months or less, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

1. ACCOUNTING POLICIES continued

(L) ADOPTION OF NEW AND REVISED STANDARDS

Standards and amendments to existing standards effective 1 January 2024

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing 1 April 2024:

- Classification of Liabilities as current or non-current – Amendments to IAS 1 presentation of Financial Statements.

This amendment did not have any impact on the amounts recognised in either current or prior years.

New standards, amendments and interpretations effective after 1 January 2025 which have not been early adopted

The below new amendment and interpretations will become effective for annual periods beginning after 1 January 2025:

- **IAS 21 – Lack of exchangeability** (effective 1 January 2025). The IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.
- **IFRS 18 – Presentation and disclosure in financial statements** (effective 1 January 2027). The IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.
- **IFRS 9 and IFRS 7 – Classification and measurement of financial instruments** (effective 1 January 2026).

  The Amendments address the following:

  - The classification of financial assets.
  - Provide guidance on the assessment of whether contractual cash flows are consistent with a basic lending arrangement. It is primarily to address stakeholder concerns on the classification of financial assets with environmental, social and corporate governance (ESG) and similar features.
  - Financial assets with non-recourse features: Clarify for a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
  - Contractually linked instruments: Clarify the characteristics of contractually linked instruments and some transactions that may contain multiple debt instruments and appear to have the characteristics of contractually linked instruments are in fact lending arrangements structured to provide enhanced credit protection to the creditor.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1. ACCOUNTING POLICIES continued

- Derecognition of liabilities settled through electronic payment systems:

  When settling a financial liability in cash using an electronic payment system, it is permitted that an entity to deem the financial liability to be discharged before the settlement date if it meets certain specified criteria.

- Disclosures:

  Amend IFRS 7 Financial Instruments: Disclosures to introduce disclosure requirements related to investments in equity instruments designated at fair value through other comprehensive income and contractual terms that could change the amount of contractual cash flows.

These amendments are not expected to have a material effect on the financial statements of the Company, but the Board will continue to assess the impact.

2. INCOME

	2025 £'000	2024 £'000
Investment income		
Overseas dividend income	964	1,080
Other income		
Deposit interest	147	123
Total income	**1,111**	**1,203**

3. AIFM AND PORTFOLIO MANAGEMENT FEES

	Revenue £'000	Capital £'000	2025 Total £'000	Revenue £'000	Capital £'000	2024 Total £'000
AIFM fee – Frostrow Capital LLP	43	820	863	47	886	933
Portfolio management fee – OrbiMed Capital LLC	100	1,909	2,009	106	2,031	2,137
	143	2,729	2,872	153	2,917	3,070

During the financial year ended 31 March 2025, in accordance with the performance fee arrangements in place, no performance fee was earned (2024: nil).

As at 31 March 2025, no performance fees were accrued or payable (31 March 2024: £nil).

Further details of the AIFM, portfolio management fee and the performance fee basis can be found in the Report of the Directors on page 51 and 52.

4. OTHER EXPENSES

	2025 Total £'000	2024 Total £'000
Directors' emoluments	199	177
Fees payable to the Company's auditor for the audit of the Company's financial statements	52	52
Registrar fees	45	36
Depositary fees	52	48
Marketing and PR costs	86	71
Legal and professional fees^	32	61
Broker fees	63	43
Listing fees	35	39
Printing costs	30	33
Other costs	177	182
Total expenses charged to Revenue	**771**	**742**
Professional fees charged to Capital*	16	39
Total expenses	**787**	**781**

^ Includes quarterly valuation fees in relation to the valuation of the unquoted investments.

* Professional fees in respect of acquisition of unquoted and pre-IPO investments.

Details of the amounts paid to Directors are included in the Directors' Remuneration Report on pages 63 to 66.

5. FINANCE COSTS

	Revenue £'000	Capital £'000	2025 Total £'000	Revenue £'000	Capital £'000	2024 Total £'000
Loan interest	66	1,259	1,325	56	1059	1,115
	66	1,259	1,325	56	1,059	1,115

6. TAXATION

(A) FACTORS AFFECTING TOTAL TAX CHARGE FOR YEAR

Approved investment trusts are exempt from tax on capital gains made within the company.

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 25% (2024: 25%). The differences are explained below:

	Revenue £'000	Capital £'000	2025 Total £'000	Revenue £'000	Capital £'000	2024 Total £'000
Net profit/(loss) before taxation	131	(82,647)	(82,516)	252	74,507	74,759
Corporation tax at 25% (2024:25%)	33	(20,662)	(20,629)	63	18,627	18,690
Effects of:						
Non-taxable loss/(gains) on investments	–	19,661	19,661	–	(19,631)	(19,631)
Non-taxable overseas dividends	(241)	–	(241)	(270)	–	(270)
Overseas tax suffered	145	–	145	159	–	159
Expenses charged to capital available to be utilised	(17)	–	(17)	(14)	–	(14)
Excess expenses unused	225	1,001	1,226	221	1,004	1,225
Total taxation for the year (see note 6(b))	**145**	**–**	**145**	**159**	**–**	**159**

(B) ANALYSIS OF CHARGE IN THE YEAR:

	Revenue £'000	Capital £'000	2025 Total £'000	Revenue £'000	Capital £'000	2024 Total £'000
Overseas tax suffered	145	–	145	159	–	159
Total taxation for the year	**145**	**–**	**145**	**159**	**–**	**159**

(C) PROVISION FOR DEFERRED TAX

No provision for deferred taxation has been made in the current or prior year.

The Company has not provided for deferred tax on capital profit or losses arising on the revaluation or disposal of investments, as it is exempt from tax on these items because of its status as an investment trust company.

At 31 March 2025, the Company had unutilised management expenses and other losses of £93,248,000 (2024: £88,442,000) that are available to offset future taxable revenue.

A deferred tax asset of £23,312,000 (25% tax rate) (2024: £22,111,000 (25% tax rate)) arising as a result of these excess management expenses and other losses has not been recognised because the Company is not expected to generate sufficient taxable income in future periods in excess of the available deductible expenses. Given the composition of the Company's portfolio, it is not likely that this asset will be used in the foreseeable future and therefore no asset has been recognised in the financial statements.

7. BASIC AND DILUTED EARNINGS/(LOSS) PER SHARE

	Revenue pence	Capital pence	2025 Total pence	Revenue pence	Capital pence	2024 Total pence
Earnings/(loss) per share	0.0p	(262.3)p	(262.3)p	0.3p	206.7p	207.0p

The total loss per share of 262.3p (2024: profit of 207.0p) is based on the total loss attributable to equity shareholders of £82,661,000 (2024: earning of £74,600,000).

The revenue loss per share 0.0p (2024: profit of 0.3p) is based on the revenue loss attributable to equity shareholders of £14,000 (2024: earnings of £93,000). The capital loss per share of 262.3p (2024: earnings of 206.7p) is based on the capital loss attributable to equity shareholders of £82,647,000 (2024: profit of £74,507,000).

The total loss per share is based on the weighted average number of shares in issue during the year of 31,514,115 (2024: 36,041,496).

There are no dilutive instruments issued by the Company (2024: none).

8. INVESTMENTS

As at 31 March 2025, all investments with the exception of the unquoted investments and derivatives have been classified as level 1. The unquoted investments have been classified as either level 2 or level 3. See note 15 beginning on page 90 for further details.

	Quoted Investments £'000	Unquoted £'000	Derivative Financial Instruments – Net £'000	2025 Total £'000	Quoted Investments £'000	Unquoted £'000	Derivative Financial Instruments – Net £'000	2024 Total £'000
Opening book cost	354,597	16,268	–	370,865	392,482	14,341	–	406,823
Opening investment holding gains/(losses)	24,977	(1,130)	(418)	23,429	(55,520)	5,926	(1,202)	(50,796)
Valuation at 1 April	379,574	15,138	(418)	394,294	336,962	20,267	(1,202)	356,027
Movement in the year								
Purchases at cost	429,394	46	–	429,440	342,843	1,952	–	344,795
Sales proceeds	(533,092)	–	2,550*	(530,542)	(388,521)	(71)	1,395*	(387,197)
Transfer from	(859)	(13,408)	–	(14,267)	–	–	–	–
Transfer into	13,408	859	–	14,267	–	–	–	–
Net movement in investment holding (losses)/gains	(73,205)	(441)	(1,387)	(75,033)	88,290	(7,010)	(611)	80,669
Valuation at 31 March	215,220	2,194	745	218,159	379,574	15,138	(418)	394,294
Closing book cost at 31 March	292,352	5,001	–	297,353	354,597	16,268	–	370,865
Investment holding (losses)/gains at 31 March	(77,132)	(2,807)	745	(79,194)	24,977	(1,130)	(418)	23,429
Valuation at 31 March	215,220	2,194	745	218,159	379,574	15,138	(418)	394,294

* Sale of financed equity swaps.

8. INVESTMENTS continued

The sales proceeds of £530,542,000 (2024: £387,197,000) includes transaction costs of £1,240,000 (2024: £814,000). The book cost of these investments when they were purchased was £502,952,000 (2024: £380,753,000).

These investments have been revalued over time and until they were sold any unrealised gains/loss were included in the fair value of these investments.

Fair Value Measurement – Transfers Between Levels of the Fair Value Hierarchy

During the year ended 31 March 2025, the Company recognised the following transfers between levels of the fair value hierarchy in accordance with IFRS 13:

Transfers from Level 1 to Level 3

- An investment in New Horizon Health with a fair value of £859,000 was transferred from Level 1 to Level 3.

Transfers from Level 3 to Level 1

- An investment in Lexicon Pharmaceuticals with a fair value of £1,948,000 was transferred from Level 3 to Level 1.
- An investment in XtalPi with a fair value of £11,460,000 was transferred from Level 3 to Level 1.

Reasons for Transfers

- New Horizon Health was transferred from Level 1 to Level 3 following the delisting of its shares from the public stock exchange. As a result, quoted market prices were no longer available, and the investment valuation became reliant on significant unobservable inputs.
- Lexicon Pharmaceuticals was transferred from Level 3 to Level 1 due to the conversion of Series A convertible preference shares into ordinary shares. The resulting ordinary shares are actively traded on a recognised stock exchange, providing observable market prices.
- XtalPi was transferred from Level 3 and Level 1 following its initial public offering on the Hong Kong Stock Exchange in June 2024. The listing provided readily available quoted prices in an active market, justifying its reclassification to Level 1.

Policy for Determining the Timing of Transfers

Transfers between levels of the fair value hierarchy are recognised at the beginning of the reporting period during which the change in circumstances or market conditions occurred. This policy is applied consistently to all transfers, in accordance with the requirements of IFRS 13.95.

(LOSSES)/GAINS ON INVESTMENTS

	2025 £'000	2024 £'000
(Losses)/gains on investments	(75,033)	80,669
Transaction costs	(2,057)	(1,526)
(Losses)/gains on investments held at fair value through profit or loss	(77,090)	79,143

The total transaction costs for the year were £2,057,000 (31 March 2024: £1,526,000) broken down as follows: purchase transaction costs for the year to 31 March 2025 were £817,000 (31 March 2024 £712,000), sale transaction costs were £1,240,000 (31 March 2024: £814,000). These costs consist mainly of commission. Transaction costs are recorded in the capital column of the Income Statement.

9. DERIVATIVE FINANCIAL INSTRUMENTS

	2025 £'000	2024 £'000
Fair value of OTC equity swaps (assets)	745	42
Fair value of OTC equity swaps (liabilities)	–	(460)
	745	(418)

(See note 1(J) on page 82 for further details).

10. OTHER RECEIVABLES

	2025 £'000	2024 £'000
Future settlements – sales	–	14,508
Prepayments and accrued income	17	27
	17	14,535

11. CASH AND CASH EQUIVALENTS

	2025 £'000	2024 £'000
Money market funds	6,913	–
Current asset investments	**6,913**	**–**
Cash at bank	1,540	2,131
Cash and cash equivalents	**8,453**	**2,131**

12. OTHER PAYABLES

	2025 £'000	2024 £'000
Future settlements – purchases	405	167
Amounts due to brokers in respect of shares repurchased by the Company for cancellation	4,336	1,379
Other creditors and accruals	682	1,029
	5,423	2,575

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13. ORDINARY SHARE CAPITAL

	2025 Number of Shares	2024 Number of Shares
Allotted, issued and fully paid at 1 April 2024	33,487,198	38,737,419
Shares bought back for cancellation during the year	(6,374,607)	(5,250,221)
At 31 March 2025	27,112,591	33,487,198

	2025 £'000	2024 £'000
Allotted, issued and fully paid shares of 25p	6,778	8,371

During the year 6,374,607 shares were bought back for cancellation for a consideration of £57,440,000 (2024: 5,250,221 shares were bought back for a consideration of £43,584,000).

14. NET ASSET VALUE PER SHARE

	2025	2024
Net asset value per share	815.9p	1,078.9p

The net asset value per share is based on the net assets attributable to equity shareholders of £221,206,000 (2024: £361,307,000) and on 27,112,591 (2024: 33,487,198) shares in issue at 31 March 2025.

15. RISK MANAGEMENT POLICIES AND PROCEDURES

As an investment trust, the Company invests in equities and other investments for the long term in order to achieve its investment objective as stated on pages 27 and 28. In pursuing its investment objective, the Company is exposed to a variety of risks that could result in either a reduction or increase in the Company's net assets or profits.

The Company's financial instruments comprise securities and other investments, cash balances, debtors and creditors and a loan facility that arise directly from its operations (for example, in respect of sales and purchases awaiting settlement).

The main risks the Company faces from its financial instruments are (i) market price risk (comprising currency risk, interest rate risk and other price risk (i.e. changes in market prices other than those arising from interest rate or currency risk)), (ii) liquidity risk and (iii) credit risk. The Board also considers (iv) fair value measurement and (v) capital management.

The Board reviews and agrees policies regularly for managing and monitoring each of these risks.

OTC EQUITY SWAPS

The Company uses OTC equity swap positions to gain access to Chinese markets where the Company is not locally registered to trade directly. These swaps are revalued daily reflecting changes in the market value of the underlying equity. At the year end the Company held OTC equity swap contracts in InventisBio and Jiangsu Hengrui Pharmaceutical, these contracts were held with Goldman Sachs as the counterparty. See glossary beginning on page 100 for further details.

1. MARKET PRICE RISK:

The Company's portfolio is exposed to fluctuations in market prices in the biotechnology sector and the regions in which it invests. Market-wide uncertainties which have recently caused increased volatility in the markets include the war in Ukraine, increasing political, military and commercial tensions between the US/West and China, and increased inflationary pressures.

15. RISK MANAGEMENT POLICIES AND PROCEDURES continued

The Company's portfolio is exposed to market price fluctuations which are monitored by the AIFM and the Portfolio Manager in pursuance of the investment objective. Further information on the composition of the portfolio is set out on page 8 and 9.

This market risk comprises three elements – foreign currency risk, interest rate risk and other price risk.

(a) Foreign currency risk:

The Company's portfolio is denominated in currencies other than sterling (the Company's functional currency, and in which it reports its results). As a result, movements in exchange rates can significantly affect the sterling value of those items.

Management of the risk

The AIFM and the Portfolio Manager monitor the Company's exposure to foreign currencies on a continuous basis and report to the Board regularly. The Company does not hedge against foreign currency movements to manage market price risk.

The Company does not use financial instruments to mitigate the currency exposure in the period between the time that the income is included in the financial statements and its receipt.

Foreign currency exposure

At the date of the Statement of Financial Position the Company held £200,735,000 (2024: £379,359,000) of investments denominated in U.S. dollars and £17,424,000 (2024: £14,935,000) in other non-sterling currencies.

Foreign currency sensitivity

The fair value of the Company's monetary items that have foreign currency exposure at 31 March 2025 is shown below.

Where the Company's equity investments (which are not monetary items) are priced in a foreign currency they are shown separately in the analysis as to show the overall level of exposure.

	2025 £'000	2024 £'000
Sterling equivalent of U.S.$ and other non-sterling exposure		
Current assets	8,475	16,640
Creditors	(405)	(167)
Spot currency contracts	(4,358)	(1,406)
Loan (non-sterling)	–	(47,063)
Foreign currency exposure on net monetary items	3,712	(31,996)
Investments held at fair value through profit or loss including derivative equity swap	218,159	394,294
Total net foreign currency exposure	221,871	362,298

The table on page 92 details the sensitivity of the Company's profit or loss after taxation for the year (investment values) to a 10% increase and decrease in the value of sterling compared with the U.S. dollar and other non-sterling currencies (2024: 10% increase and decrease).

The above percentages have been determined based on market volatility in exchange rates over the previous twelve months. The analysis is based on the Company's foreign currency financial instruments held at each Statement of Financial Position date, after adjusting for an increase/decrease in the AIFM and portfolio management fees.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

15. RISK MANAGEMENT POLICIES AND PROCEDURES continued

If sterling had weakened against the U.S. dollar and other non-sterling currencies, as stated above, this would have had the following effect:

	2025 £'000	2024 £'000
Impact on revenue return	–	–
Impact on capital return	32,717	46,816
Total return after tax/effect on shareholders' funds	32,717	46,816

If sterling had strengthened against the U.S. dollar and other non-sterling currencies, as stated above, this would have had the following effect:

	2025 £'000	2024 £'000
Impact on revenue return	–	–
Impact on capital return	(13,189)	(26,943)
Total return after tax/effect on shareholders' funds	(13,189)	(26,943)

(b) Interest rate risk:

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate exposure

The Company's main exposure to interest rate risk is through its loan facility with J.P. Morgan Securities LLC which is repayable on demand. Interest is charged at the US overnight bank funding rate plus 45 basis points.

At the year end, financial assets and liabilities subject to interest rate risk were as follows:

	Floating rate 2025 £'000	Floating rate 2024 £'000
Loan facility with J.P. Morgan Securities LLC	–	47,078
Gross exposure on OTC equity swaps	7,540	6,308
Total liabilities subject to interest rate risk	7,540	53,386
Less cash held at Goldman Sachs and in a liquidity fund	8,453	2,131
Total net liabilities subject to interest rate risk	(913)	51,255

Management of the risk

The level of borrowings is approved and monitored by the Board and the AIFM on a regular basis.

15. RISK MANAGEMENT POLICIES AND PROCEDURES continued

Interest rate sensitivity

The majority of the Company's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. The amount subject to interest rate risk as at 31 March 2025 was £913,000 (2024: £51,255,000). If the rate increased or decreased by 1%, the impact on the profit or loss and net assets would be expected to be £9,130 or (£9,130) (2024: £513,000) or (£513,000).

(c) Other price risk

Other price risk may affect the value of the quoted investments.

If market prices at the date of the Statement of Financial Position had been 20% higher or lower (2024: 20% higher or lower) while all other variables had remained constant, the return and net assets attributable to shareholders for the year ended 31 March 2025 would have increased/decreased by £44,711,000 (2024: £78,110,000) after adjusting for an increase or decrease in the AIFM and the Portfolio management fees. The calculations are based on the portfolio valuations as at the respective Statement of Financial Position dates.

Other price risk exposure

	Assets £'000	Liabilities £'000	2025 Net Fair Value £'000	Assets £'000	Liabilities £'000	2024 Net Fair Value £'000
Investments	217,414	–	217,414	394,712	–	394,712
OTC equity swaps	745	–	745	42	(460)	(418)
	218,159	–	218,159	394,754	(460)	394,294

The notional exposure of the OTC equity swaps calculated in accordance with AIFMD requirements, is £8,286,000 (2024: £5,890,000) see glossary beginning on page 100 for further details.

2. LIQUIDITY RISK:

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Management of the risk

Liquidity risk is not significant as the majority of the Company's assets are investments in quoted equities that are readily realisable within one week, in normal market conditions. Stress tests have been performed to understand how long the portfolio would take to realise in such situations. The Board is comfortable that in such situations the Company would be able to meet its liabilities as they fall due. Short-term funding flexibility can be achieved through the use of the bank loan facility. The maximum amount of gearing permitted by the Board is 20% of net assets which equated to £44,241,000 at the year end (2024: £72,261,000).

The Board gives guidance to the Portfolio Manager as to the maximum amount of the Company's resources that should be invested in any one company.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

15. RISK MANAGEMENT POLICIES AND PROCEDURES continued

Liquidity exposure and maturity

Contractual maturities of the financial liabilities as at 31 March 2025, based on the earliest date on which payment can be required, are as follows:

	2025 3 months or less £'000	2025 3 to 12 months £'000	2024 3 months or less £'000	2024 3 to 12 months £'000
Loan facility (repayable on demand)	–	–	47,078	–
Future settlements	405	–	167	–
Derivative – OTC equity swaps	–	–	–	460
Other creditors and accruals	5,018	–	2,408	–
	5,423	–	49,653	460

3. CREDIT RISK:

Credit risk is the risk of failure of a counterparty to discharge its obligations resulting in the Company suffering a loss.

J.P. Morgan Securities LLC (J.P. Morgan) may take assets with a value of up to 140% of the loan as collateral. Such assets held by J.P. Morgan are available for rehypothecation†.

As at 31 March 2025, the maximum value of assets available for rehypothecation was £nil being 140% of the loan balance of £nil (31 March 2024: £65,909,000 being 140% of the loan balance of £47,078,000).

See page 33 for further details on the loan facility and the associated credit risk.

† See glossary beginning on page 100.

Management of the risk

The risk is not significant and is managed as follows:

J.P. Morgan

- by receiving and reviewing regular updates from the Custodian and Prime Broker and Depository.
- by reviewing their Internal Control reports and regularly monitor J.P. Morgan's credit rating. J.P. Morgan has a credit rating of Aa3 (Moody's), A+ (S&P) and AA (Fitch).
- by reviewing on a monthly basis assets which are available for rehypothecation.

Other counterparties

- by only dealing with brokers which have been approved by OrbiMed Capital LLC and banks with high credit ratings such as Goldman Sachs International who have a credit rating of A1 (Moody's), A+ (S&P) and A+ (Fitch);
- by investing in markets that mainly operate DVP (delivery versus payment) settlement.
- all cash balances are held with approved counterparties. J.P. Morgan is the Custodian of the Company's assets and all assets are segregated from J.P. Morgan's own assets.

At 31 March 2025 the Company's exposure to credit risk amounted to £8,453,000 and was in respect of cash held as collateral and held in a liquidity fund (2024: £16,639,000).

15. RISK MANAGEMENT POLICIES AND PROCEDURES continued

4. FAIR VALUE MEASUREMENT

Hierarchy of investments

As required under IFRS 13 "Fair Value Measurement", the Company has classified its financial assets designated at fair value through profit or loss using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurements. The hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of 31 March 2025	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets	215,220	–	2,194	217,414
Derivatives: equity swap (assets)	–	745	–	745
Financial investments held at fair value through profit or loss	215,220	745	2,194	218,159

As of 31 March 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets	379,574	–	15,138	394,712
Derivatives: equity swap (assets)	–	42	–	42
Derivatives: equity swap (liabilities)	–	(460)	–	(460)
Financial investments held at fair value through profit or loss	379,574	(418)	15,138	394,294

As at 31 March 2025, the investment in OrbiMed Asia Partners LP Fund has been classified as Level 3. The OrbiMed Asia Partners Fund LP has been valued at the net asset value presented in its Statement of Partners Capital Activity as at 31 December 2024, as permitted under the IPEV guidelines. The Statement of Partner's Capital Activity as at 31 March 2025 was received in May 2025 and was not materially different from the valuation at 31 December 2024. If the value of the OrbiMed Asia Partners Fund were to increase or decrease by 10%, while all other variables remain constant, the return and net assets attributable to shareholders for the year ended 31 March 2025 would have increased/decreased by £89,000 (2024: £112,000).

At 31 March 2025, the Company held three level 3 investments in addition to the OrbiMed Asia Fund:

- New Horizon Health;
- Gracell Biotechnology CVR; and
- StemiRNA.

New Horizon Health has been valued by Kroll, an independent valuer, using the probability-weighted expected returns methodology (PWERM). See note 1 on page 80 for further details.

Gracell Biotechnology CVR has also been valued by Kroll using the PWERM.

StemiRNA entered into liquidation during the year and is valued at zero at the year end.

15. RISK MANAGEMENT POLICIES AND PROCEDURES continued

Level 3 Reconciliation

Please see below a reconciliation disclosing the changes during the year for the financial assets and liabilities designated at fair value through profit or loss classified as being Level 3. There has been no transfer between fair value hierarchy levels.

	2025 £'000	2024 £'000
Assets		
As at 1 April	15,138	20,267
Purchase of unquoted investments	46	1,952
Sale of unquoted investment	–	(71)
Transfer to level 1	(13,408)	–
Transfer to level 3	859	–
Net movement in investment holding gains during the year	(441)	(7,010)
Assets as at 31 March	2,194	15,138

FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES:

Financial assets and financial liabilities are either carried in the Statement of Financial Position at their fair value or at a reasonable approximation of fair value.

5. CAPITAL MANAGEMENT

The Company's capital management objectives are:

- to ensure that it will be able to continue as a going concern; and
- to maximise the total return to its equity shareholders.

The Board's policy is to limit gearing to a maximum of 20% of the Company's net assets.

The capital structure of the Company consists of the equity share capital, retained earnings and other reserves shown in the Statement of Financial Position on page 76.

Shares may be repurchased by the Company as explained on pages 29 and 30.

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

16. TRANSACTIONS WITH RELATED PARTIES AND THE MANAGERS

Related Parties

The Directors of the Company are considered to be related parties.

Details of the remuneration of the Directors of the Company can be found on page 64. Geoff Hsu has waived his Directors' fees. Details of the Directors' interests in the capital of the Company can be found on page 66.

Transactions with the Managers

- Frostrow Capital LLP
- OrbiMed Capital LLC

16. TRANSACTIONS WITH RELATED PARTIES AND THE MANAGERS continued

Details of the relationship between the Company and Frostrow Capital LLP, the Company's AIFM, and OrbiMed Capital LLC, the Company's Portfolio Manager, are disclosed on page 51. Geoff Hsu, who joined the Board on 16 May 2018, is a General Partner at OrbiMed. Details of fees paid to OrbiMed by the Company can be found in note 3 on page 84. All material related party transactions have been disclosed in notes 3 and 4 on page 84 and 85.

The Company holds an interest in OrbiMed Asia Partners Fund which equates to 0.4% of the investments held at 31 March 2025. Further details can be found on page 79.

Three current and two former partners at OrbiMed Capital LLC have a minority financial interest totalling 20% in Frostrow Capital LLP, the Company's AIFM. Details of the fees paid to Frostrow Capital LLP by the Company can be found in note 3 on page 84.

17. CAPITAL RESERVE

	2025			2024		
	Capital Reserves			Capital Reserves		
	Other £'000	Investment holdings gains/(losses) £'000	Total £'000	Other £'000	Investment holdings gains/(losses) £'000	Total £'000
At 1 April	235,358	23,533	258,891	278,564	(50,596)	227,968
Net gains/(losses) on investments	25,637	(102,727)	(77,090)	5,014	74,129	79,143
Foreign exchange losses	(1,553)	–	(1,553)	(621)	–	(621)
Expenses charged to capital	(4,004)	–	(4,004)	(4,015)	–	(4,015)
Repurchase of own shares for cancellation	(57,440)	–	(57,440)	(43,584)	–	(43,584)
At 31 March	197,998	(79,194)	118,804	235,358	23,533	258,891

Sums within the Total Capital Reserve less unrealised gains (those on investments not readily convertible to cash) are available for distribution. Investment holding gains in the table above are unrealised. The value of investments not readily convertible to cash amount to £2,194,000 (2024: £15,138,000).

18. SUBSEQUENT EVENTS

Subsequent to the Company's year end, the net asset value per share of the Company had fallen by 3.9% from 815.9p to 784.3p and the Company's share price had fallen by 4.8% from 754.0p to 718.0p as at 30 May 2025.

FURTHER INFORMATION

IN THIS SECTION

SHAREHOLDER INFORMATION

FINANCIAL CALENDAR

31 March	Financial Year End
June	Final Results Announced
July	Annual General Meeting
30 September	Half Year End
November	Half Year Results Announced

ANNUAL GENERAL MEETING

The Annual General Meeting of The Biotech Growth Trust PLC will be held at the Barber-Surgeons' Hall, Monkwell Square, Wood St, Barbican, London EC2Y 5BL on Thursday, 17 July 2025 at 12 noon. Please refer to the Chair's Statement beginning on page 2 for details of this year's arrangements.

SHARE PRICES

The Company's Ordinary Shares are listed on the London Stock Exchange. The price is given daily in the Financial Times and other newspapers.

CHANGE OF ADDRESS

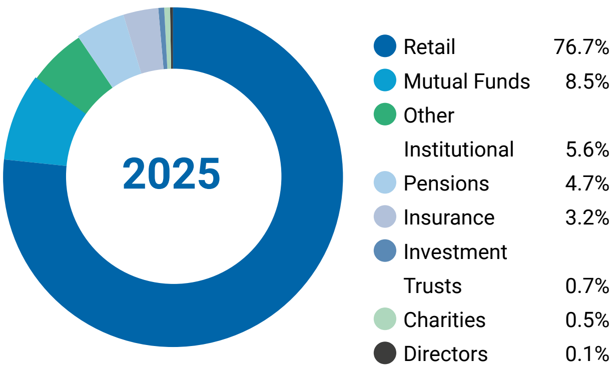
Communications with shareholders are mailed to the address held on the share register. In the event of a change of address or other amendment this should be notified to the Company's Registrars, MUFG Corporate Markets under the signature of the registered holder.

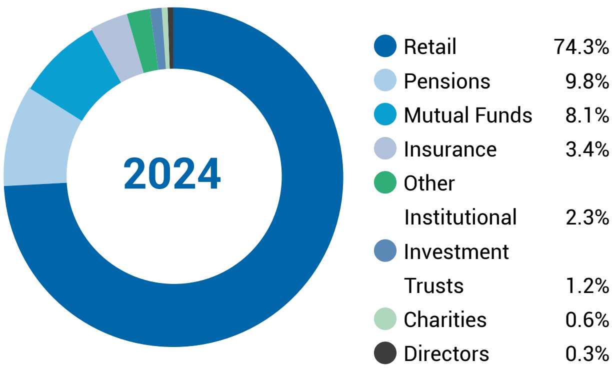
DAILY NET ASSET VALUE

The daily net asset value of the Company's shares can be obtained on the Company's website at www.biotechgt.com and is published daily via the London Stock Exchange.

PROFILE OF THE COMPANY'S OWNERSHIP

% OF ORDINARY SHARES HELD AT 31 MARCH





GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES

ACTIVE SHARE^

Active Share is expressed as a percentage and shows the extent to which a fund's holdings and their weightings differ from those of the fund's benchmark index. A fund that closely tracks its index might have a low Active Share of less than 20% and be considered passive, while a fund with an Active Share of 60% or higher is generally considered to be actively managed. As at 31 March 2025, the Company's active share was 71.7% (2024: 66.6%).

ADR

An American depositary receipt (ADR) is a negotiable security that represents securities of a foreign company and allows that company's shares to trade in the U.S. financial markets. Shares of many non-U.S. companies trade on U.S. stock exchanges through ADRs, which are denominated and pay dividends in U.S. dollars, and may be traded like regular shares of stock.

AIC

Association of Investment Companies.

ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE (AIFMD)

Agreed by the European Parliament and the Council of the European Union and transposed into UK legislation, the AIFMD classifies certain investment vehicles, including investment companies, as Alternative Investment Funds (AIFs) and requires them to appoint an Alternative Investment Fund Manager (AIFM) and depositary to manage and oversee the operations of the investment vehicle. The Board of the Company retains responsibility for strategy, operations and compliance and the Directors retain a fiduciary duty to shareholders.

ALTERNATIVE PERFORMANCE MEASURE (APM)

An APM is a numerical measure of the Company's current, historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial framework. In selecting these Alternative Performance Measures, the Directors considered the key objectives and expectations of typical investors in an investment trust such as the Company.

DISCOUNT OR PREMIUM^

A description of the difference between the share price and the net asset value per share. The size of the discount or premium is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage (%) of the net asset value per share. If the share price is higher than the net asset value per share the result is a premium. If the share price is lower than the net asset value per share, the shares are trading at a discount.

	pages	As at 31 March 2025 (pence)	As at 31 March 2024 (pence)
Share price	1 & 7	754.0	995 .0
Net asset value per share (see note 14 on page 90 for further information)	1 & 7	815.9	1,078.9
Discount of share price to net asset value per share	1 & 7	7.6%	7.8%

IPO

An Initial Public Offering (IPO) is the process by which the shares of a previously private company are listed on a stock exchange for the first time. Through this process a company can raise new capital, offer an exit opportunity for private investors and founders, and enable the trading of its shares.

^ Alternative Performance Measure

IPO LOCK-IN

When a company offers shares in an IPO, investors sometimes enter into a lock-in agreement preventing them from selling their shares for a specified period after the IPO.

LEVERAGE

The AIFMD leverage definition is slightly different from the Association of Investment Companies' method of calculating gearing and is defined as follows: any method by which the AIFM increases the exposure of an AIF it manages whether through borrowing of cash or securities, or leverage embedded in derivative positions.

For the purposes of the AIFMD, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other.

	Gross Method	Commitment Method
Maximum limit	130.0%	130.0%
Actual as at 31 March 2025	105.9%	102.0%

MARGINABLE SECURITIES

Marginable securities are stocks, bonds, futures or other securities capable of being traded on a Margin Account and are available for rehypothecation.

NET ASSET VALUE (NAV)

The net asset value of the Company's assets, principally investments made in other companies and cash held, less any liabilities. The NAV is also described as "shareholders' funds". The NAV is often expressed in pence per share after being divided by the number of shares which have been issued. The NAV per share is unlikely to be the same as the share price, which is the price at which the Company's shares can be bought or sold by an investor. The share price is determined by the relationship between the demand and supply of the shares in the secondary market.

(NET CASH)/GEARING^

Net cash is a measure of how much cash the Company holds, after offsetting gearing. It is expressed as a percentage of net assets (shareholders' funds). Net cash is only shown if the Company has more cash than gearing.

Gearing represents prior charges, adjusted for net current liabilities, expressed as a percentage of net assets. Prior charges includes all loans and overdrafts for investment purposes.

	pages	31 March 2025 £'000	31 March 2024 £'000
Loan	76	–	47,078
Cash and cash equivalents	76	(8,453)	–
Net current (assets)/liabilities (excluding loan and derivatives)*	–	–	(14,091)
Total		(8,453)	32,987
Net assets	76	221,206	361,307
(Net cash)/gearing	7	(3.8)%	9.1%

* Current liabilities less current assets

^ Alternative Performance Measure

GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES CONTINUED

NAV PER SHARE TOTAL RETURN^

A measure of how an investment company's portfolio has performed, taking into account how the NAV per share has changed as well as any dividends that have been paid. The NAV per share return for the year ended 31 March 2025 is calculated by taking the percentage movement from the net asset value per share as at 31 March 2024 of 1,078.9p (2023: 852.6p) to the net asset value per share at 31 March 2025 of 815.9p (2024: 1,078.9p). The Company has not paid any dividends to shareholders in respect of the above mentioned years (see pages 1 and 7)..

ONGOING CHARGES^

Ongoing charges are calculated by taking the Company's annualised operating expenses expressed as a proportion of the average daily net asset value of the Company over the year.

The costs of buying and selling investments are excluded, as are interest costs, taxation, performance fees, cost of buying back or issuing ordinary shares and other non-recurring costs.

	pages	31 March 2025 £'000	31 March 2024 £'000
AIFM & portfolio management fees (note 3)	84	2,872	3,070
Other re-occurring expenses (note 4)	85	771	742
Total operating expenses		**3,643**	**3,812**
Average daily net assets for the year		326,317	323,811
Ongoing charges	**1 & 7**	**1.1%**	**1.2%**

OTC EQUITY SWAPS

Over-the-Counter (OTC) refers to the process of how securities are traded via a broker - dealer network, as opposed to on a centralised exchange.

An equity swap is an agreement where one party (counterparty) transfers the total return of an underlying equity position to the other party (swap holder) in exchange for a payment of the principal, and interest for financed swaps, at a set date. Total return includes dividend income and gains or losses from market movements. The exposure of the holder is the market value of the underlying equity position.

There are two main types of equity swaps:

- Funded – where payment is made on acquisition. They are equivalent to holding the underlying equity position with the exception of additional counterparty risk and not possessing voting rights in the underlying security; and
- Financed – where payment is made on maturity. As there is no initial outlay, financed swaps increase exposure by the value of the underlying equity position with no initial increase in the investments value – there is therefore embedded leverage within a financed swap due to the deferral of payment to maturity.

REHYPOTHECATION

Rehypothecation is the practice by banks and brokers of using, for their own purposes, assets that have been posted by clients as collateral for loans. The practice is regulated by the U.S. Securities Exchange Commission.

^ Alternative Performance Measure

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

The Sustainability Accounting Standards Board (SASB) is a non-profit organisation, founded in 2011 to develop sustainability accounting standards. Its stated mission is "to establish industry-specific disclosure standards across ESG topics that facilitate communication between companies and investors about financially material, decision-useful information. Such information should be relevant, reliable and comparable across companies on a global basis."

SHARE PRICE TOTAL RETURN^

The standard measure of performance for an investment company, taking into account the change in share price over a period of time as well as all the dividends paid during that period. Share price total return takes into account the change in value of the underlying portfolio of the investment company and any dividends paid, as well as the discount or premium at which the shares trade, and any change in discount or premium over the period. The share price total return is calculated by taking the percentage movement from the share price as at 31 March 2024 of 995.0p (2023: 783.0p) to the share price as at 31 March 2025 of 754p (2024: 995.0p). The Company has not paid dividends to shareholders in respect of the above mentioned years.

See pages 1 and 7 for further information.

VARIABLE INTEREST ENTITY (VIE)

A corporate structure through which an investor can own the economic interests of shares in a company through a contractual relationship. This structure is common in China, including in the biotechnology sector.

^ Alternative Performance Measure

HOW TO INVEST

RETAIL INVESTORS ADVISED BY IFAS

The Company currently conducts its affairs so that its shares can be recommended by Independent Financial Advisers (IFAs) in the UK to ordinary retail investors in accordance with the Financial Conduct Authority (FCA) rules in relationship to non-mainstream investment procedures and intends to continue to do so. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

INVESTMENT PLATFORMS

The Company's shares are traded openly on the London Stock Exchange and can be purchased through a stock broker or other financial intermediary. The shares are available through savings plans (including Investment Dealing Accounts, ISAs, Junior ISAs and SIPPs) which facilitate both regular monthly investments and lump sum investments in the Company's shares. There are a number of investment platforms that offer these facilities. A list of some of them, that is not comprehensive nor constitutes any form of recommendation, can be found below:

AJ Bell Youinvest	http://www.youinvest.co.uk/
Barclays Smart Investor	https://www.smartinvestor.barclays.co.uk/
Bestinvest	http://www.bestinvest.co.uk/
Charles Stanley Direct	https://www.charles-stanley-direct.co.uk/
Halifax Share Dealing	https://www.halifaxsharedealing-online.co.uk/
Hargreaves Lansdown	http://www.hl.co.uk/
HSBC	https://www.hsbc.co.uk/investments/
iDealing	http://www.idealing.com/
Interactive Investor	http://www.iii.co.uk/
IWEB	http://www.iweb-sharedealing.co.uk/share-dealing-home.asp
The Share Centre	https://www.share.com/

Investment scams are often sophisticated and difficult to spot

How to avoid investment scams

1. **Reject unexpected offers**
Scammers usually cold call, but contact can also come by email, post, word of mouth or at a seminar. If you've been offered an investment out of the blue, chances are it's a high risk investment or a scam.

2. **Check the FCA Warning List**
Use the FCA Warning List to check the risks of a potential investment – you can also search to see if the firm is known to be operating without FCA authorisation.

3. **Get impartial advice**
Get impartial advice before investing – don't use an adviser from the firm that contacted you.

If you're suspicious, report it

You can report a firm or scam to the Financial Conduct Authority on 0800 111 6768 or through www.fca.org.uk/scamsmart

If you've lost money in a scam, contact Action Fraud on 0300 123 2040 or www.actionfraud.police.uk

Be ScamSmart and visit www.fca.org.uk/scamsmart

FINANCIAL CONDUCT AUTHORITY

Be a ScamSmart Investor

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of The Biotech Growth Trust PLC will be held at the Barber-Surgeons' Hall, Monkwell Square, Wood St, Barbican, London EC2Y 5BL on Thursday, 17 July 2025 at 12 noon, for the following purposes:

To consider and, if thought fit, pass the following resolutions of which resolutions 10, 11, 12 and 13 will be proposed as special resolutions:

1. To receive the audited financial statements and the Report of the Directors for the year ended 31 March 2025.
2. To approve the Directors' Remuneration Report for the year ended 31 March 2025.
3. To re-elect Hamish Baillie as a Director of the Company.
4. To re-elect Geoff Hsu as a Director of the Company.
5. To re-elect Dr Nicola Shepherd as a Director of the Company.
6. To re-elect Roger Yates as a Director of the Company.
7. To elect Julie Tankard as a Director of the Company.
8. To re-appoint BDO LLP as Auditor to the Company to hold office from the conclusion of the meeting to the conclusion of the next Annual General Meeting at which accounts are laid, and to authorise the Audit Committee to determine their remuneration.

AUTHORITY TO ALLOT SHARES

9. THAT in substitution for all existing authorities the Directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the Act) to exercise all powers of the Company to allot relevant securities (within the meaning of Section 551 of the Act) up to a maximum aggregate nominal amount of £655,724.75 (being 10% of the issued share capital of the Company at the date of the notice convening the meeting at which this resolution is proposed) and representing 2,622,899 shares of 25 pence each or, if changed, the number representing 10% of the issued share capital of the Company at the date at which this resolution is passed, on such terms as the Board may determine, provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2026 or 15 months from the date of passing this resolution, whichever is the earlier, unless previously revoked, varied or renewed, by the Company in general meeting and provided that the Company shall be entitled to make, prior to the expiry of such authority, an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to such offer or agreement as if the authority conferred by this resolution had not expired.

To consider and, if thought fit, pass the following resolutions as special resolutions:

DISAPPLICATION OF PRE-EMPTION RIGHTS

10. THAT in substitution of all existing powers the Directors be and are hereby generally empowered pursuant to Sections 570 and 573 of the Companies Act 2006 (the Act) to allot equity securities (within the meaning of section 560 of the Act) including if immediately before the allotment, such shares are held by the Company as treasury shares (as defined in Section 724 of the Act) for cash pursuant to the authority conferred on them by resolution 9 set out in the notice convening the Annual General Meeting at which this resolution is proposed or otherwise as if section 561(1) of the Act did not apply to any such allotment and to sell relevant shares (within the meaning of section 560 of the Act) for cash as if section 561(1) of the Act did not apply to any such sale, provided that this power shall be limited to the allotment of equity securities pursuant to:

    (a) an offer of equity securities open for acceptance for a period fixed by the Directors where the equity securities respectively attributable to the interests of holders of shares of 25 pence each in the Company (Shares) are proportionate (as nearly as may be) to the respective numbers of Shares held by them but subject to such exclusions or other arrangements in connection with the issue as the Directors may consider necessary, appropriate, or expedient to deal with equity securities representing fractional entitlements or to deal with legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange, or any other matter whatsoever; and

NOTICE OF THE ANNUAL GENERAL MEETING CONTINUED

(b) (otherwise than pursuant to sub-paragraph (a) above) up to an aggregate nominal value of £655,724.75 (or, if changed, the number representing 10% of the issued share capital of the Company at the date of the meeting at which this resolution is passed),

and expires at the conclusion of the Annual General Meeting of the Company to be held in 2026 or 15 months from the date of passing this resolution, whichever is the earlier, unless previously revoked, varied or renewed by the Company in general meeting and provided that the Company shall be entitled to make, prior to the expiry of such authority, an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to such offer or agreement as if the power conferred hereby had not expired.

AUTHORITY TO REPURCHASE ORDINARY SHARES

11. THAT the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 (the Act) to make one or more market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 25 pence each in the capital of the Company (Shares) either for retention as treasury shares for future reissue, resale, transfer or for cancellation provided that:

(a) the maximum aggregate number of Shares authorised to be purchased shall be that number of Shares which is equal to 14.99% of the issued Share capital of the Company as at the date of the passing of this resolution;

(b) the minimum price (exclusive of expenses) which may be paid for a Share is 25 pence;

(c) the maximum price (exclusive of expenses) which may be paid for a Share is an amount equal to the greater of (i) 105% of the average of the middle market quotations for a Share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which that Share is purchased and (ii) the higher of the price of the last independent trade in Shares and the highest then current independent bid for Shares on the London Stock Exchange;

(d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2026 or, if earlier, on the expiry of 15 months from the date of the passing of this resolution unless such authority is renewed prior to such time; and

(e) the Company may make a contract to purchase Shares under this authority before the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority, and may make a purchase of Shares in pursuance of any such contract.

CAPITAL REDUCTION

12. THAT subject to the approval of the High Court of Justice in England and Wales:

(a) the share capital of the Company be reduced by cancelling the entire amount standing to the credit of the Company's share premium account and capital redemption reserve as at the date of the final hearing before the Court at which confirmation of the said cancellation is sought; and

(b) the credit arising in the Company's books of account from the cancellation of the Company's share premium account and capital redemption reserve be applied in crediting a distributable reserve (to be designated a Distributable Capital Reserve) to be established in the Company's books of account which shall be able to be applied in any manner in which the Company's profits available for distribution (as determined in accordance with the Companies Act 2006) are able to be applied.

GENERAL MEETINGS

13. THAT the Directors be authorised to call general meetings (other than Annual General Meetings) on not less than 14 clear days' notice, such authority to expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, until expiry of 15 months from the date of the passing of this resolution.

CONTINUANCE OF THE COMPANY

14. THAT the Company should continue as an investment trust for a further period of five years.

By order of the Board

Registered office:
One Wood Street
London EC2V 7WS

Frostrow Capital LLP
Company Secretary
3 June 2025

NOTES

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company.
2. 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 resolutions. If no voting indication is given, a proxy may vote or abstain from voting at his/her discretion. A proxy may vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
3. Members can vote by: using the Investor Centre app (see below) or logging onto https://uk.investorcentre.mpms.mufg.com/ and following instructions; requesting a hard copy form of proxy directly from the registrars, MUFG Corporate Markets at shareholderenquiries@cm.mpms.mufg.com or, in the case of CREST members, utilising the CREST electronic proxy appointment service in accordance with the procedures set out below, alternatively if you are an institutional shareholder you may also be able to appoint a proxy electronically via the Proximity platform. To be valid any proxy form or other instrument appointing a proxy must be completed and signed and received by post or (during normal business hours only) by hand at MUFG Corporate Markets, PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL no later than 12 noon on 15 July 2025. Shareholders can vote electronically via the Investor Centre, a free app for smartphone and tablet provided by MUFG Corporate Markets (the company's registrar). It allows you to securely manage and monitor your shareholdings in real time, take part in online voting, keep your details up to date, access a range of information including payment history and much more. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below.

Download on the App Store

GET IT ON Google Play

4. In the case of a member which is a company, the instrument appointing a proxy must be executed under its seal or signed on its behalf by a duly authorised officer or attorney or other person authorised to sign. Any power of attorney or other authority under which the instrument is signed (or a certified copy of it) must be included with the instrument.
5. The return of a completed proxy form, other such instrument or any CREST or Proxymity Proxy Instruction (as described below) will not prevent a shareholder attending the meeting and voting in person if he/she wishes to do so.
6. Any 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 have someone else appointed) as a proxy for the 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.
7. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
8. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only shareholders registered on the register of members of the Company (the Register of Members) at the close of business on 15 July 2025 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting) will be entitled to attend and vote or be represented at the meeting in respect of shares registered in their name at that time. Changes to the Register of Members after that time will be disregarded in determining the rights of any person to attend and vote at the meeting.
9. As at 3 June 2025 (being the last business day prior to the publication of this notice) the Company's issued share capital consists of 26,228,997 ordinary shares, carrying one vote each (and no shares were held in Treasury). Therefore, the total voting rights in the Company as at 3 June 2025 are 26,228,997.
10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so 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 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.
11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with the specifications of Euroclear UK and International Limited, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is 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 RA10) no later than 48 hours before the time appointed for holding the meeting. 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 Application Host) from which the issuer'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.
12. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. 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, 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. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
13. 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.
14. If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 12 noon on 15 July 2025 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.
15. 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 Register of Members in respect of the joint holding (the first named being the most senior).
16. Members who wish to change their proxy instructions should submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
17. Members who have appointed a proxy using the hard-copy proxy form and who wish to change the instructions using another hard-copy form, should contact MUFG Corporate Markets via email at shareholderenquiries@cm.mpms.mufg.com or on 0371 664 0300 or +44 371 664 0300 if calling from outside the United Kingdom. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom are charged at the applicable international rate. Lines are open between 09.00-17.30, Monday to Friday excluding public holidays in England and Wales.
18. If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
19. In order to revoke a proxy instruction, members will need to inform the Company. Members should send a signed hard copy notice clearly stating their intention to revoke a proxy appointment to MUFG Corporate Markets, PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL.

    In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power of attorney) must be included with the revocation notice. If a member attempts to revoke their proxy appointment but the revocation is received after the time for receipt of proxy appointments (see above) then, subject to paragraph 4, the proxy appointment will remain valid.

EXPLANATORY NOTES TO THE RESOLUTIONS

Resolution 1 – Audited Financial Statements and the Report of the Directors

The audited financial statements and the Report of the Directors for the year ended 31 March 2025 will be presented to the Annual General Meeting. These accompanied this Notice of Meeting.

Resolution 2 – Remuneration Report

The Report on Directors' Remuneration is set out in full on pages 63 to 66.

Resolutions 3 to 7 – Election and Re-election of Directors

Resolutions 3 to 7 deal with the election and re-election of the Directors. Biographies of each of the current Directors can be found on pages 40 to 41.

The Board has confirmed, following a performance review, that the Directors standing for election or re-election continue to perform effectively.

Resolution 8 – Re-appointment of Auditor

Resolution 8 relates to the re-appointment of BDO LLP as the Company's independent auditor to hold office until the next Annual General Meeting of the Company and also authorises the Audit Committee to set their remuneration.

Resolutions 9 and 10 – Issue of Shares

Ordinary Resolution 9 in the Notice of Annual General Meeting will renew the authority to allot the unissued share capital up to an aggregate nominal amount of £655,724.75 (equivalent to 2,622,899 shares, or 10% of the Company's existing issued share capital on 3 June 2025 or, if changed, the number representing 10% of the issued share capital of the Company at the date at which this resolution is passed). Such authority will expire on the date of the next Annual General Meeting or after a period of 15 months from the date of the passing of the resolution, whichever is earlier. This means that the authority will have to be renewed at the next Annual General Meeting.

When shares are to be allotted for cash, Section 551 of the Companies Act 2006 (the Act) provides that existing shareholders have pre-emption rights and that the new shares must be offered first to such shareholders in proportion to their existing holding of shares. However, shareholders can, by special resolution, authorise the Directors to allot shares otherwise than by a *pro rata* issue to existing shareholders. Special Resolution 10 will, if passed, give the Directors power to allot for cash equity securities up to 10% of the Company's existing share capital on 3 June 2025 or, if changed, the number representing 10% of the issued share capital of the Company at the date at which this resolution is passed, as if Section 551 of the Act does not apply. This is the same nominal amount of share capital which the Directors are seeking the authority to allot pursuant to Resolution 9. This authority will also expire on the date of the next Annual General Meeting or after a period of 15 months, whichever is earlier. This authority will not be used in connection with a rights issue by the Company.

The Directors intend to use the authority given by Resolutions 9 and 10 to allot shares and disapply pre-emption rights only in circumstances where this will be clearly beneficial to shareholders as a whole. The issue proceeds would be available for investment in line with the Company's investment policy. No issue of shares will be made which would effectively alter the control of the Company without the prior approval of shareholders in general meeting. New shares will be only issued at a premium to the Company's net asset value per share.

Resolution 11 – Share Repurchases

The Directors wish to renew the authority given by shareholders at the General Meeting held in February 2025. The principal aim of a share buy-back facility is to enhance shareholder value by acquiring shares at a discount to net asset value, as and when the Directors consider this to be appropriate. The purchase of shares, when they are trading at a discount to the net asset value per share, should result in an increase in the net asset value per share for the remaining shareholders. This authority, if conferred, will only be exercised if to do so would result in an increase in the net asset value per share for the remaining shareholders and if it is in the best interests of shareholders generally. Any purchase of shares will be made within guidelines established from time to time by the Board. It is proposed to seek shareholder authority to renew this facility for another year at the Annual General Meeting.

Under the current Listing Rules, the maximum price that may be paid on the exercise of this authority must not exceed the higher of (i) 105% of the average of the middle market quotations for the shares over the five business days immediately preceding the date of purchase and (ii) the higher of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out. The minimum price which may be paid is 25p per share. Shares which are purchased under this authority will either be cancelled or held as treasury shares.

Special Resolution 11 in the Notice of Annual General Meeting will renew the authority to purchase in the market a maximum of 14.99% of shares in issue as at the date of the passing of the resolution (equivalent to 3,931,726 shares at the date of this Notice). Such authority will expire on the date of the next Annual General Meeting or after a period of 15 months from the date of passing the resolution, whichever is earlier. This means in effect that the authority will have to be renewed at the next Annual General Meeting or earlier if the authority has been exhausted.

Resolution 12 – Capital Reduction

Under the Companies Act 2006, the Company may only make distributions (including share buybacks) out of profits available for the purpose and is prohibited from making distributions to the extent that, following the distribution, the amount of its net assets is less than the aggregate of its called-up share capital and undistributable reserves. The Company's undistributable reserves at the date of this notice comprise its share premium account (£79.9 million) and its capital redemption reserve (£16.7 million). In order to ensure that the Company can continue to buy back shares in accordance with its discount management policy, Special Resolution 12 seeks shareholders' approval by special resolution to cancel the entire amount standing to the credit of the Company's share premium account and capital redemption reserve (the Capital Reduction). If the proposed Capital Reduction is approved by shareholders, it will be subject to the scrutiny of, and confirmation by, the Court which will take due account of the protection of creditors and, subject to that confirmation and registration by the Registrar of Companies in England and Wales of the order of the Court, is expected to take effect by the end of August 2025. Following registration, a special distributable reserve, of the amounts previously standing to the credit of the share premium account and capital redemption reserve, will be created. This special reserve may be applied in any manner permitted by the Companies Act 2006 and/or the Company's Articles of Association (including for any share buy backs, tender offers, bonus share issues and/or redemptions and/or other returns of capital).

Resolution 13 – General Meetings

Special Resolution 13 seeks shareholder approval for the Company to hold General Meetings (other than the Annual General Meeting) on not less than at 14 clear days' notice.

Resolution 14 – Continuance of the Company

Ordinary Resolution 14 seeks shareholder approval for the Company to continue as an investment trust for a further period of five years. Please refer to the Chair's Statement for further information.

Recommendation

The Board considers that the resolutions relating to the above items are in the best interests of shareholders as a whole. Accordingly, the Board unanimously recommends to the shareholders that they vote in favour of the above resolutions to be proposed at the forthcoming Annual General Meeting as the Directors intend to do in respect of their own beneficial holdings totalling 33,222 shares.

COMPANY INFORMATION

DIRECTORS

Roger Yates[1]
Hamish Baillie[2]
Julia Le Blan[3]
Geoff Hsu
Dr Nicki Shepherd
Julie Tankard
The Rt Hon Lord Willetts FRS

1 Chair of the Board and the Nominations Committee
2 Chair of the Management Engagement Committee and Senior Independent Director
3 Chair of the Audit Committee and the Valuation Committee

REGISTERED OFFICE

One Wood Street
London EC2V 7WS

WEBSITE

www.biotechgt.com

COMPANY REGISTRATION NUMBER

03376377 (Registered in England)
The Company is an investment company as defined under Section 833 of the Companies Act 2006.
The Company was incorporated in England on 20 May 1997 as Reabourne Merlin Life Sciences Investment Trust PLC.

ALTERNATIVE INVESTMENT FUND MANAGER, COMPANY SECRETARY AND ADMINISTRATOR

Frostrow Capital LLP
25 Southampton Buildings
London WC2A 1AL
Telephone: 0203 008 4910
E-Mail: info@frostrow.com
Website: www.frostrow.com
Authorised and regulated by the Financial Conduct Authority.

If you have an enquiry about the Company or if you would like to receive a copy of the Company's monthly fact sheet by e-mail, please contact Frostrow Capital using the above e-mail address.

PORTFOLIO MANAGER

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Telephone: +1 212 739 6400
Website: www.orbimed.com
Registered under the U.S. Securities and Exchange Commission.

INDEPENDENT AUDITOR

BDO LLP
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DEPOSITARY

J.P. Morgan Europe Limited
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London E14 5JP

CUSTODIAN AND PRIME BROKER

J.P. Morgan Securities LLC.
Suite 1, Metro Tech Roadway
Brooklyn, NY11201
USA

REGISTRAR

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Central Square
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Telephone (from overseas): + 44 371 664 0300†
Investor Centre: https://uk.investorcentre.mpms.mufg.com/
Website: www.eu.mpms.mufg.com
Please contact the Registrar if you have a query about a certificated holding in the Company's shares.

STOCK BROKER

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SOLICITORS

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5 Fleet Place
London EC4M 7RD

IDENTIFICATION CODES

Shares:	SEDOL:	0038551
	ISIN:	GB0000385517
	BLOOMBERG:	BIOG LN
	EPIC:	BIOG

GLOBAL INTERMEDIARY IDENTIFICATION NUMBER

(GIIN): U1MQ70.99999.SL.826

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