THE BIOTECH GROWTH TRUST PLC

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The Biotech Growth Trust PLC Annual Report for the year ended 31 March 2024

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Frostrow CAPITAL

STRATEGIC REPORT

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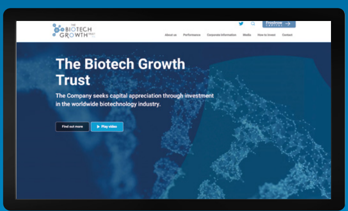
FURTHER INFORMATION



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 28 and 29.

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 2024

1,078.9p
Net asset value per share**
2023: 852.6p

995.0p
Share price
2023: 783.0p

£361.3m
Shareholders' funds**
2023: £330.3m

26.5%
Net asset value per share (total return)*^
2023: -11.0%

27.1%
Share price (total return)*^
2023: -12.8%

5.0%
Benchmark*†
2023: 5.4%

7.8%
Discount of share price to net asset value per share*^
2023: 8.2%

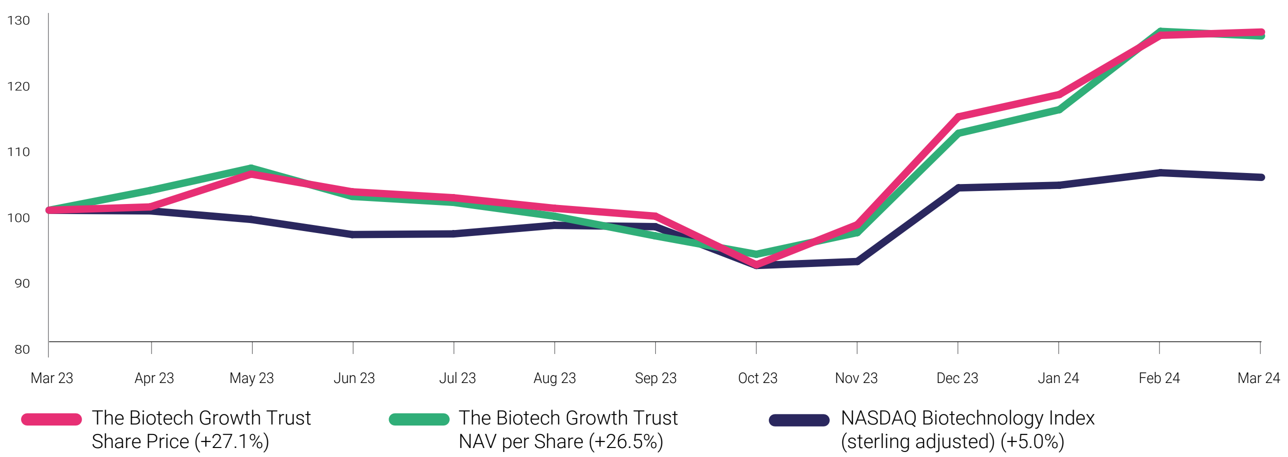
1.2%
Ongoing Charges^
2023: 1.1%

66.6%
Active Share*^
2023: 76.6%

* Source: Morningstar
^ Alternative Performance Measure (see glossary beginning on page 100)
† Nasdaq Biotechnology Index (sterling adjusted)
** IFRS Measure

TOTAL RETURN PERFORMANCE

for the year to 31 March 2024



Figures have been rebased to 100 as at 31 March 2023.
Source: Morningstar

CHAIR'S STATEMENT

ROGER YATES

INTRODUCTION AND RESULTS

I am pleased to present to shareholders this annual report for the year ended 31 March 2024.

After a challenging two years, the Company performed well in both absolute and relative terms in the year under review; the net asset value (NAV) per share total return was 26.5% (2023: -11.0%), and the share price total return was 27.1% (2023: -12.8%), both outperforming the Company's benchmark, the Nasdaq Biotechnology Index (sterling adjusted), which over the year rose 5.0% (2023: 5.4%). The small disparity between the performance of the Company's NAV per share and its share price reflected a slight narrowing of the share price discount to the NAV per share from 8.2% at the start of the Company's financial year to 7.8% at the year end.

The average exchange rate over the year was $1.258, some 4.5% higher than the previous year's average of $1.204.

The Company's gearing, which increased to 9.1% at the year end from 7.8% at the beginning of the year, contributed 1.2% to the Company's NAV total return during the year.

While performance this year has been encouraging and we are relieved to be seeing signs of recovery in the sector, the Board is aware that there is still some way to go before the Company fully recovers its relative and absolute losses from the past two years. Nevertheless, our Portfolio Manager's investment strategy has started once again to yield results. They intend to maintain the Company's overweighting to small and mid-capitalisation (cap) companies, which they believe will deliver increasingly positive results to shareholders. In addition they anticipate that we can expect to see a continuation of the consolidation in the biotechnology industry, as larger companies seek to acquire smaller companies with promising pipelines of drugs and therapies to address impending patent expirations which threaten their future earnings.

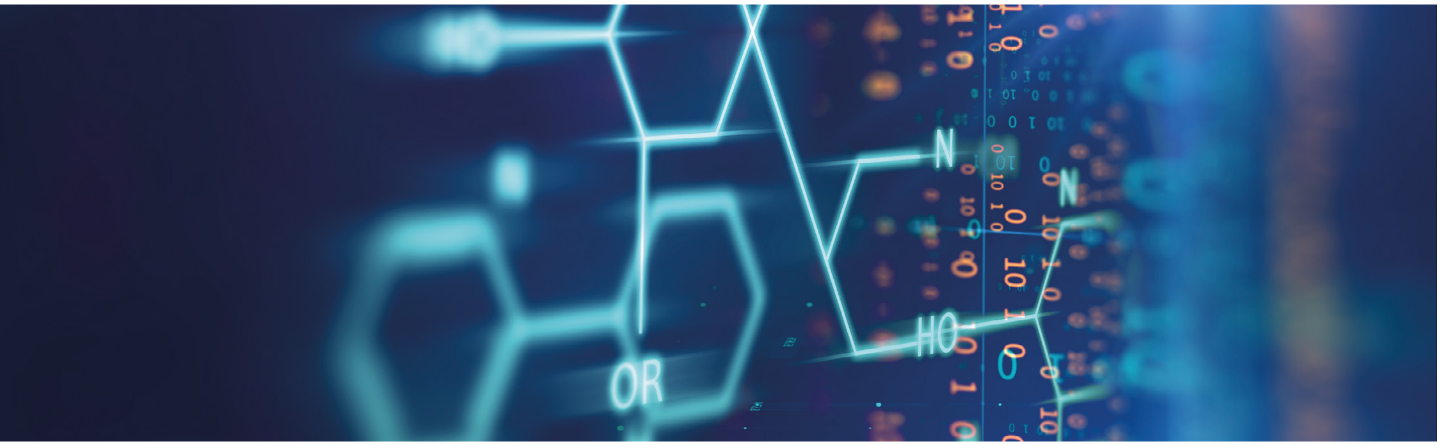
Our portfolio contains a diverse range of biotech companies with exposure to the most exciting and promising new technologies. The areas in which our Portfolio Manager is finding the most promising investment opportunities include obesity, oligonucleotide therapeutics and oncology. I encourage you to read the Portfolio Manager's Review, beginning on page 9, to find out more about these themes and the companies making breakthroughs in these areas. The fact that the emerging technologies in these areas have been developed into approved new treatments reaffirms our view that the biotechnology industry is maturing and demonstrates its ability to convert laboratory research into effective medicines.

The Company has maintained a small exposure to Chinese biotechnology companies which overall made a negligible contribution to performance over the year. The difficult macroeconomic, geopolitical and local regulatory environment has meant that the valuations of Chinese biotech companies remain depressed although there have been some success stories such as AstraZeneca's acquisition of Gracell Biotechnologies (which was held in our portfolio) for $1.2 billion. Chinese investments represented 7.7% (2023: 9.0%) of the portfolio at the year end and while our Portfolio Manager continues to believe the long-term outlook for Chinese biotech is promising, this level of exposure is unlikely to be increased unless or until the environment in China becomes more supportive.

The Company has not invested in any new private companies during the year and at the year end, the two remaining, directly held, private investments (both of which are Chinese companies) comprised 3.2% of the Company's NAV. As announced earlier in the year and explained further in the Portfolio Manager's Review, we wrote down the holding in Stemirna Therapeutics and this contributed to the negative return from the private investments over the year.

CAPITAL STRUCTURE

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).



The Company's shares traded at a discount throughout the year, leading to the repurchase of 5,250,221 shares, at an average discount of 7.3% to the Company's cum income NAV per share at the time, at a total cost of £43.6 million. This is a substantial return of capital, representing 13.6% of the issued share capital of the Company at the start of the year. Buying back these shares at a discount generated an uplift of 0.9% to the NAV over the year.

At the year end there were 33,487,198 shares in issue and the share price traded at an 7.8% 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 of days or indeed longer, particularly in volatile or muted markets. However, the Company remains committed to protecting a 6% share price discount over the longer term. Since the year end, a further 290,000 shares have been bought back for cancellation and at the time of writing the share price discount stands at 8.2%.

REVENUE RETURN

The revenue return per share was 0.3p (2023: -1.6p). This reflects the relatively low yield generated from the biotechnology sector and, in particular, the small and mid-cap companies in this sector that comprise much of the portfolio.

As the Company has brought forward revenue losses, no dividend is recommended in respect of the year ended 31 March 2024 (2023: nil).

BOARD CHANGES

In October we were delighted to announce the appointment of Hamish Baillie as a non-executive director, effective 1 November 2023. Hamish will succeed Steve Bates as Chair of the Management Engagement Committee and Senior Independent Director following Steve's retirement at the conclusion of the forthcoming annual general meeting (AGM).

In anticipation of his retirement, I would like to extend our sincere gratitude to Steve for his dedicated service. Throughout his tenure, his expertise, wealth of knowledge and insightful guidance have been invaluable to the Board. We wish him all the best for the future.

Other directors are coming to the end of their tenure and Board recruitment processes are underway in line with our succession plan.

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 pages 51 and 52 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.

CHANGE OF BENCHMARK INDEX

As noted above, the Company's performance is currently measured against the Nasdaq Biotechnology Index (sterling adjusted) and this is the index used to determine the entitlement (if any) of OrbiMed to a performance fee.

The index measures capital return, and as the biotechnology sector is largely made up of growth companies that tend not to pay dividends, historically there was very little difference between the capital and total return versions of the index.

In recent years, however, the biotechnology industry as a whole and the constituents of the index have changed as

CHAIR'S STATEMENT CONTINUED

the industry has matured. The number of index constituents that pay a dividend has increased, although the number is still modest and the Company itself is not receiving sufficient income to be required to pay a dividend under current investment trust taxation rules. The Board believes this trend, in which dividend income contributes to the total return from the index, is likely to increase.

Therefore, following consultation with our advisers, the Board is proposing to shareholders that the index used to measure the Company's performance and so the entitlement of OrbiMed to a performance fee, which is based on outperformance of the index, should be changed to the Nasdaq Biotechnology Index Total Return (sterling adjusted and net of withholding tax).

Under the Listing Rules, the proposed change is a related party transaction and must therefore by approved by shareholders. The proposed change will be put to shareholders at a general meeting which will be held immediately after the conclusion of the forthcoming AGM on 18 July 2024.

The proposed change is explained in more detail in a circular that will be sent to shareholders with this Annual Report and which will be made available on the Company's website: www.biotechgt.com.

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, 18 July 2024 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 this year. 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 as the past few years have shown, unforeseen extraordinary events can make attendance difficult or impossible. 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 following the conclusion of the AGM by way of a stock exchange announcement and on the Company's website: www.biotechgt.com.

OUTLOOK

It has been a volatile few years for the biotechnology sector and the Company. 2020 and 2021 saw a surge in investment in healthcare and biotechnology driven by low interest rates, merger and acquisition (M&A) activity and of course, the COVID pandemic. In 2022, as interest rates and inflation rose, the pandemic waned and the valuations of smaller biotech companies fell to all-time lows. This generated a performance headwind for the Company.

In the past year, I am glad to report that there have been signs of recovery which are reflected in the Company's good performance over the past year, with an increase in regulatory approvals and a potential revival in the IPO market. The challenges facing the sector are still present: regulatory hurdles, uncertainty around funding and more broadly, a difficult macroeconomic environment characterised by persistent inflation and high costs of capital. However, the global biotech industry is expected to continue its growth trajectory, with groundbreaking innovations and new technologies improving and saving lives, creating value for shareholders and, ultimately, driving performance. The Company is exposed to a wide variety of the most promising technologies.

Our Portfolio Manager and the Board are excited about the innovation taking place in the sector and the portfolio companies we hold. As a consequence, our overall investment strategy remains unchanged and, assuming relatively benign markets, we look forward with confidence to good long-term returns for the Company.

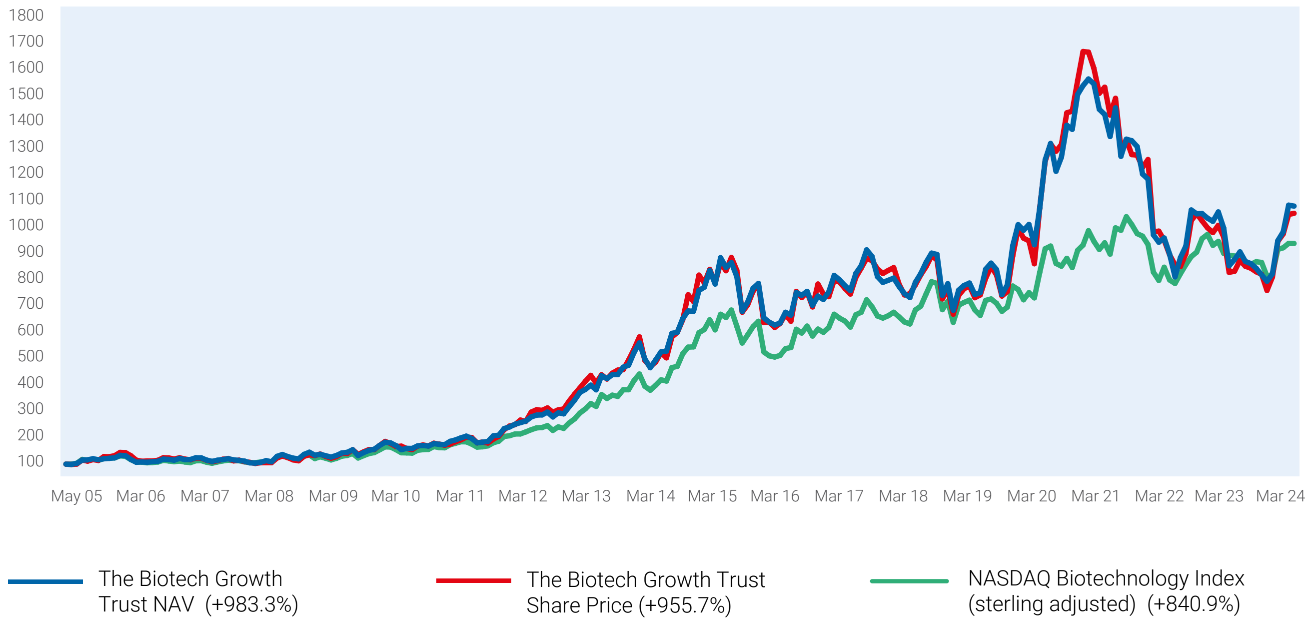
Roger Yates
Chair

4 June 2024

COMPANY PERFORMANCE

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

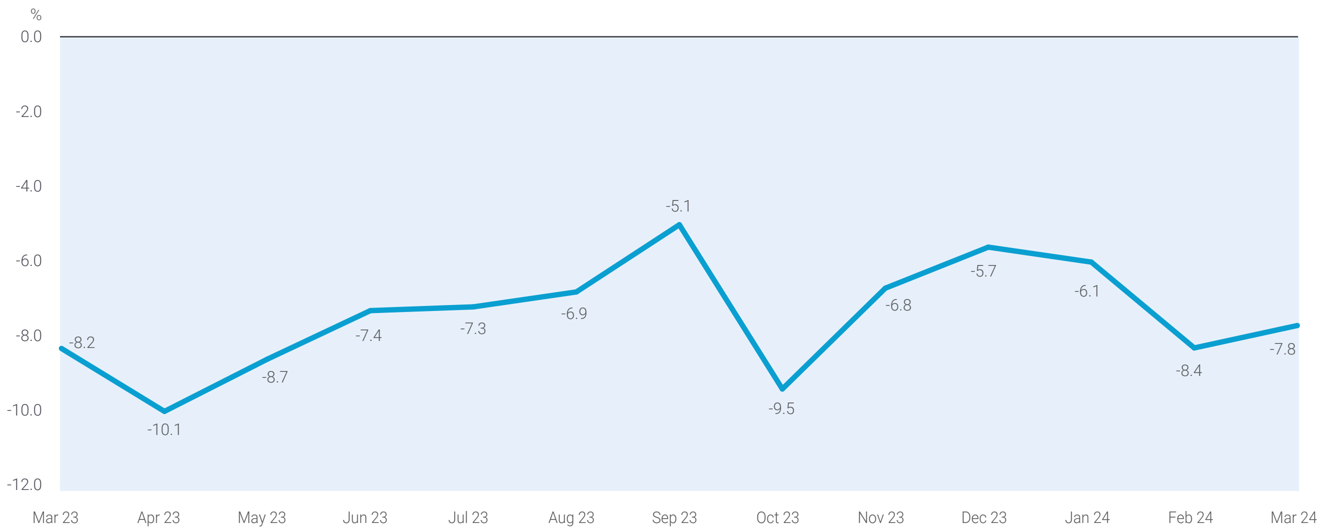
to 31 March 2024



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 2024



The discount of the Company's share price to the net asset value per share at 31 March 2024 stood at 7.8% (2023: 8.2%).
Source: Frostrow Capital LLP.

COMPANY PERFORMANCE CONTINUED

HISTORIC PERFORMANCE FOR THE YEARS ENDED 31 MARCH

	2019	2020	2021	2022	2023	2024
Net asset value per share total return*^	5.3%	18.5%	55.1%	(33.8%)	(11.0%)	26.5%
Share price total return*^	4.6%	10.9%	75.2%	(37.0%)	(12.8%)	27.1%
Benchmark return*	13.0%	1.2%	25.1%	(7.4%)	5.4%	5.0%
Net asset value per share	786.8p	932.4p	1,446.4p	957.8p	852.6p	1,078.9p
Share price	734.0p	814.0p	1,426.0p	898.0p	783.0p	995.0p
Discount of share price to net asset value per share^	6.7%	12.7%	1.4%	6.2%	8.2%	7.8%
Ongoing charges (excluding performance fees)^	1.1%	1.1%	1.1%	1.1%	1.1%	1.2%
Gearing^	5.5%	9.0%	6.8%	8.4%	7.8%	9.1%

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

FIVE YEAR PERFORMANCE
to 31 March 2024

Figures have been rebased to 100 as at 31 March 2019.
Source: Frostrow Capital LLP.

INVESTMENT PORTFOLIO

INVESTMENTS HELD AS AT 31 MARCH 2024

Security	Country/Region #	Fair value £'000	% of investments
Biogen	USA	23,375	5.9
Janux Therapeutics	USA	18,291	4.6
Regeneron Pharmaceuticals	USA	17,365	4.4
Sarepta Therapeutics	USA	16,610	4.2
Amgen	USA	14,265	3.6
Avidity Biosciences	USA	13,735	3.5
Argenx**	Netherlands	13,580	3.5
Scholar Rock Holding	USA	12,757	3.2
Apellis Pharmaceuticals	USA	12,467	3.2
Vaxcyte	USA	12,383	3.1
Ten largest investments		**154,828**	**39.2**
Geron	USA	11,634	3.0
XtalPi*	China	11,460	2.9
Heron Therapeutics	USA	11,044	2.8
Syndax Pharmaceuticals	USA	11,000	2.8
Ionis Pharmaceuticals	USA	10,865	2.8
Rhythm Pharmaceuticals	USA	10,024	2.5
BioMarin Pharmaceutical	USA	9,472	2.4
Neurocrine Biosciences	USA	9,066	2.3
Mineralys Therapeutics	USA	8,664	2.2
Aerovate Therapeutics	USA	8,196	2.1
Twenty largest investments		**256,253**	**65.0**
Vera Therapeutics	USA	7,900	2.0
ALX Oncology Holdings	USA	7,863	2.0
Esperion Therapeutics	USA	7,038	1.8
Praxis Precision Medicines	USA	6,664	1.7
Morphic Holding	USA	6,629	1.7
Innovent Biologics	China	6,089	1.6
Compass Therapeutics	USA	5,570	1.4
Immatics	Germany	5,435	1.4
Vertex Pharmaceuticals	USA	5,392	1.4
Amicus Therapeutics	USA	5,305	1.3
Thirty largest investments		**320,138**	**81.3**
Krystal Biotech	USA	5,233	1.3
Arrowhead Pharmaceuticals	USA	5,146	1.3
Vir Biotechnology	USA	5,127	1.3
Tyra Biosciences	USA	4,974	1.3
Neumora Therapeutics	USA	4,955	1.3
Xenon Pharmaceuticals	Canada	4,951	1.3
Dyne Therapeutics	USA	4,495	1.1
Nkarta, Inc.	USA	4,398	1.1
BeiGene	China	4,098	1.0
Edgewise Therapeutics	USA	3,829	1.0
Forty largest investments		**367,344**	**93.3**
Lexicon Pharmaceuticals, Inc.^*	USA	3,747	1.0
CytomX Therapeutics	USA	2,900	0.7
Cytokinetics, Inc.	USA	2,551	0.6
Ventyx Biosciences	USA	2,201	0.6
Fate Therapeutics	USA	2,099	0.5
Exact Sciences	USA	2,061	0.5
10X Genomics	USA	1,781	0.5
Kezar Life Sciences	USA	1,375	0.3
Milestone Pharmaceuticals	Canada	1,350	0.3
Prelude Therapeutics	USA	1,300	0.3
Fifty largest investments		**388,709**	**98.6**

Primary listing
† Partnership interest
* Unquoted investment
** Includes Argenx ADR (see glossary) amounting to £10,139,000
^* Including the unquoted element amounting to £1,948,000 (Lexicon Series A Convertible Preferred stock)

INVESTMENT PORTFOLIO CONTINUED

Security	Country/Region #	Fair value £'000	% of investments
OrbiMed Asia Partners*†	Asia	1,122	0.3
Dynavax Technologies	USA	1,115	0.3
New Horizon Health***	China	860	0.2
YS Biopharma	China	850	0.2
Enliven Therapeutics	USA	653	0.2
Suzhou Basecare Medical	China	448	0.1
Gracell Biotechnologies CVR*	China	389	0.1
Stemirna Therapeutics*	China	219	0.1
Repare Therapeutics	Canada	181	0.0
Lyell Immunopharma, Inc.	USA	166	0.0
Sixty largest investments		**394,712**	**100.1**
Imara	USA	–	–
Total investments		**394,712**	**100.1**
OTC equity swaps - financed			
Swaps	China	5,890	1.5
Less: Gross exposure on financed swaps		(6,308)	(1.6)
Total OTC swaps		**(418)**	**(0.1)**
Total investments including OTC swaps		**394,294**	**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
† Partnership interest
* Unquoted
*** Shares suspended on 28 March 2024 due to a delay in the issuance of the company's annual report for 2023.

PORTFOLIO BREAKDOWN

Investments	Fair value £'000	% of investments
Quoted		
Equities	379,574	96.3
	379,574	96.3
Unquoted		
Equities	14,016	3.5
Partnership interest	1,122	0.3
	15,138	3.8
Derivatives		
OTC equity swaps	(418)	(0.1)
Total investments	**394,294**	**100.0**

PERFORMANCE ATTRIBUTION FOR THE YEAR ENDED 31 MARCH 2024

Contribution to total returns	%	%
Benchmark return		5.0
Portfolio Manager's contribution		20.6
Portfolio total return		25.6
Gearing	1.2	
Management fee and other expenses	(1.2)	
Share buyback	0.9	
Total		0.9
Return on net assets		**26.5%**

PORTFOLIO MANAGER'S REVIEW

GEOFF HSU

JOSH GOLOMB

PERFORMANCE REVIEW

We are pleased to report that the Company delivered strong performance for the fiscal year ended 31 March 2024. The Company's NAV per share total return was 26.5% during the fiscal year, compared with a 5.0% increase for the Company's benchmark, the Nasdaq Biotechnology Index, measured on a sterling adjusted basis (the Benchmark).

Macroeconomic factors continued to dominate portfolio performance during most of the fiscal year. The fiscal year began with an auspicious start in April and May, with a number of biotech M&A transactions helping to improve sentiment in the small and mid-cap biotech space. However, from June through October, a string of positive economic news suggested that the U.S. Federal Reserve (the Fed) could leave interest rates "higher for longer" without tipping the economy into recession. This led to a gradual rise in 10-year U.S. government yields, which peaked at around 5% in October. The rise in interest rates pressured unprofitable, small cap technology stocks generally, including emerging biotech. In November and December, the Fed began telegraphing that it had finished raising interest rates and guided investors to rate cuts in 2024. This catalysed a sharp recovery in small and mid cap biotech stocks, coinciding with a drop in 10-year yields from 5% to 3.8% over the span of a couple of months. With the Fed signaling that it was done raising rates, investor sentiment towards small and mid cap biotech noticeably improved, leading to significant performance in that segment from November through February. Having said that, we recognise that the interest rate outlook remains variable, and the Fed will remain data-driven in its approach. In 2024, there were three successive monthly inflation readings that were a bit higher than expectations, so investor expectations for the timing and number of interest rate cuts became more muted towards the end of the fiscal year. We continue to believe that it is a question of "when, not if" those interest rate cuts will materialise, and we do not believe further interest rate hikes are likely. As macro dynamics stabilise, we believe this will create a conducive environment for stock selection, and fundamental research will be rewarded.

As we have noted over the past two years, our overweight positioning in smaller cap emerging biotech has been premised on three main investment points:

1) Emerging biotech valuations were driven to unprecedented lows in the performance drawdown beginning in early 2021, primarily due to rising interest rates. That drawdown occurred on both an absolute and relative basis versus the broader market and large cap biotech. We expected interest rate pressure ultimately to abate as inflation declined in the U.S., allowing stocks to recover to historical valuation levels.

2) We expected an increase in M&A activity due to: a) the compelling valuations of smaller biotech targets; and b) the urgent need on the part of "Big Pharma" to acquire biotech assets to address revenue gaps due to expected generic and biosimilar competition for their major blockbuster drugs in the second half of the decade.

3) Emerging biotech, rather than large cap biotech, is still contributing about two-thirds of the total biopharmaceutical industry pipeline. That segment of the biotech universe remains the primary driver of innovation for the sector, and importantly, the valuation correction that we have witnessed since early 2021 has not properly reflected the strong fundamental innovation delivered by these companies.

We were pleased to see that the long overdue recovery in smaller biotech began manifesting itself towards the end of the fiscal year. The portfolio's heavier weighting in smaller cap stocks relative to the Benchmark, aided by some particularly strong individual stocks, led to the Company's significant outperformance versus the Benchmark during the review period.

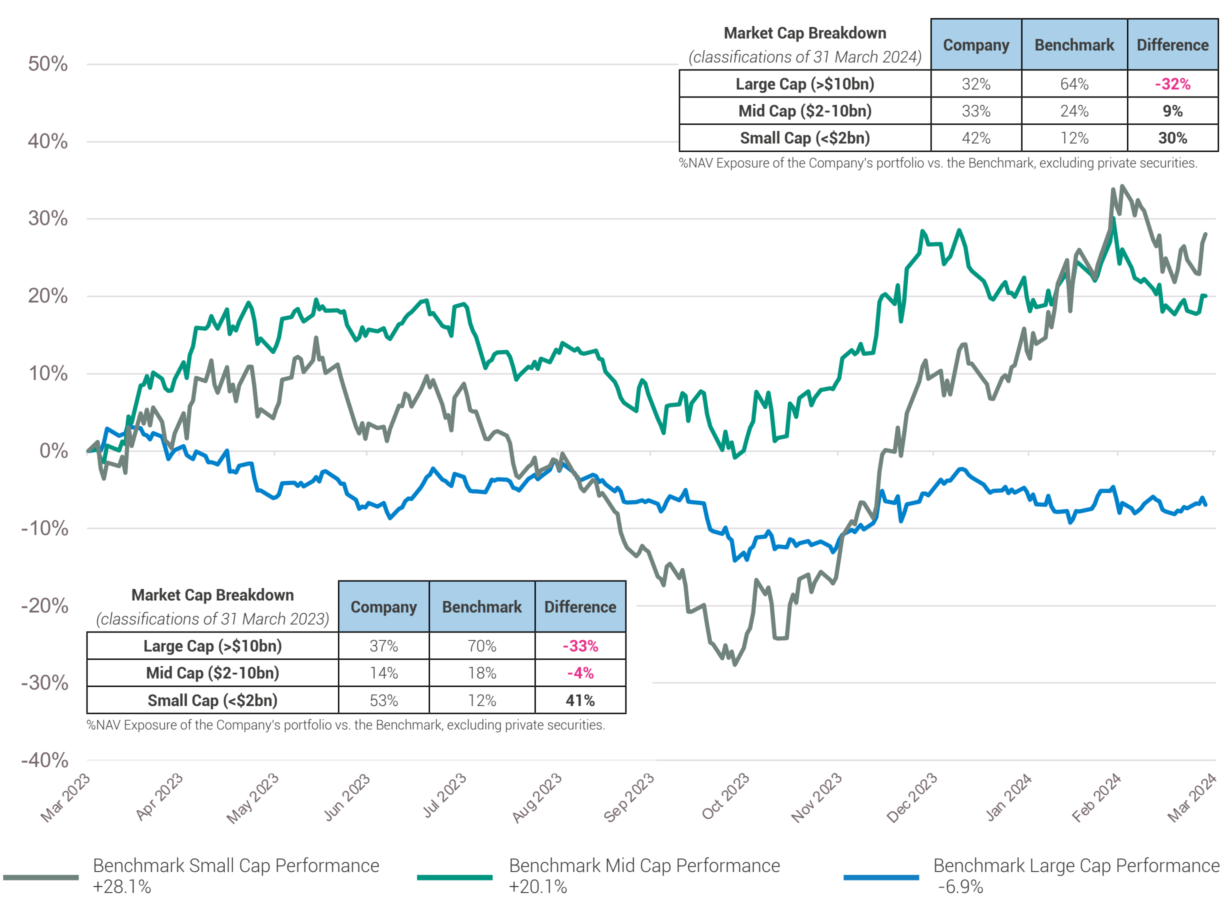
As shown in Figure 1, if one looks at the market cap distribution of the Company's portfolio at the beginning of the fiscal year, the portfolio was 41% overweight small caps and 33% underweight large caps relative to the Benchmark. If one plots the average stock price performance of the Benchmark constituents in each of those market

PORTFOLIO MANAGER'S REVIEW CONTINUED

capitalisation categories, one observes that small cap biotech significantly outperformed large cap biotech by about 35% during the review period. Figure 2 shows the extent of small cap underperformance over a longer period, since 31 March 2021. Despite the strong performance of small caps since October 2023, we believe that there is still quite a bit of outperformance left to be generated by this segment. If interest rates begin declining over the next several months, we expect the performance gap between small cap and large cap stocks since 31 March 2021 to fully "close up" in the months ahead.

Our China holdings made an inconsequential contribution to performance during the fiscal year. Valuations in Chinese

SMALL AND MID CAP BIOTECH BEGINNING TO OUTPERFORM (2023-2024)



Market Cap Breakdown (classifications of 31 March 2024)	Company	Benchmark	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. the Benchmark, excluding private securities.

Market Cap Breakdown (classifications of 31 March 2023)	Company	Benchmark	Difference
Large Cap (>$10bn)	37%	70%	**-33%**
Mid Cap ($2-10bn)	14%	18%	**-4%**
Small Cap (<$2bn)	53%	12%	**41%**

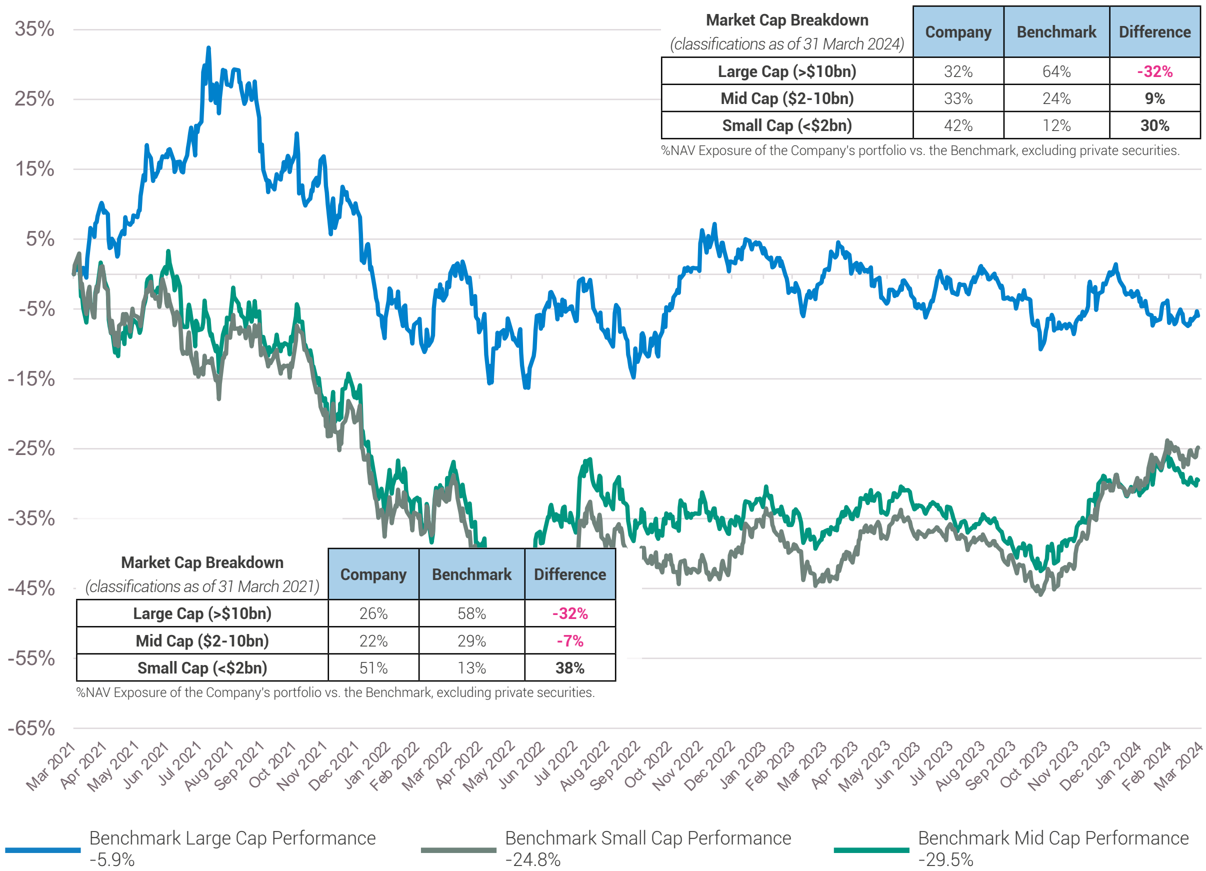
%NAV Exposure of the Company's portfolio vs. the Benchmark, excluding private securities.

Figure 1

Note: Chart shows equal-weighted performance of Benchmark stocks in their respective market cap buckets, using market cap classifications as of 31 March 2023. Updated as of 31 March 2024, performance calculated in US dollars.

Source: Bloomberg

SMALL AND MID CAP BIOTECH BEGINNING TO RECOVER (2021-2024)



Market Cap Breakdown *(classifications as of 31 March 2024)*	Company	Benchmark	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. the Benchmark, excluding private securities.

Market Cap Breakdown *(classifications as of 31 March 2021)*	Company	Benchmark	Difference
Large Cap (>$10bn)	26%	58%	**-32%**
Mid Cap ($2-10bn)	22%	29%	**-7%**
Small Cap (<$2bn)	51%	13%	**38%**

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

Figure 2

Note: Chart shows equal-weighted performance of Benchmark stocks in their respective market cap buckets, using market cap classifications as of 31 March 2021. Updated as of 31 March 2024, performance calculated in US dollars.

Source: Bloomberg

healthcare remain at depressed levels given the difficult economic environment in China and the persistence of geopolitical tensions between the U.S. and China. The Hang Seng Healthcare Index, which tracks Chinese healthcare companies on the Hong Kong exchange, trades at record lows. Having said that, we continue to like the fundamental outlook for Chinese biotech. Chinese central government support for biotech innovation in the country remains robust. Recent comments from the CEOs of Big Pharma companies like Pfizer and AstraZeneca have indicated their desire to increase their access to Chinese innovation. In fact, in December 2023, AstraZeneca announced its intention to acquire a Chinese cell therapy company called Gracell Biotechnologies, which was held in the portfolio, for $1.2 billion. Other examples of Western biopharmaceutical interest in Chinese innovation include Novartis' recent acquisition of SanReno Therapeutics, a private Chinese company with two late-stage assets for immunoglobulin A nephropathy, and Bristol Myers Squibb's licensure of a bispecific antibody-drug conjugate for cancer from Chinese company Sichuan Biokin Pharmaceuticals for an $800 million upfront payment. We continue to allocate a portion of the portfolio to investments in Chinese biotech (approximately 7.7% of the portfolio as of 31 March 2024). Just as U.S. small cap biotech has begun recovering from record lows, we believe a similar recovery can occur for Chinese biotech. We are comfortable with the current level of exposure and do not anticipate meaningfully increasing our China exposure until there is more stability on the macro front.

PORTFOLIO MANAGER'S REVIEW CONTINUED

EMERGING BIOTECH VALUATIONS RECOVERING FROM UNPRECEDENTED LOWS

We have been encouraged to see the early stages of a recovery in small cap biotech from unprecedented absolute and relative valuations.

One proxy commonly used to track the performance of small and mid cap biotech is the XBI, an exchange traded fund created in 2006 that tracks an equal-weighted index of biotech companies. About 50% of this index consists of small cap names. If one plots the relative performance of the XBI versus the S&P 500 (shown below), one can see that since inception, the XBI has outperformed the S&P 500, indicating that emerging biotech has historically been a sector offering better returns than the broader market. Over the past 18 years, however, there have been short periods when the XBI has underperformed the S&P 500, shown by the red circles. Typically, these drawdown periods result in underperformance versus the S&P 500 of 30-45%. The most recent relative drawdown was 77%, making it the longest and largest drawdown of the XBI on both an absolute and relative basis. Prior drawdowns have been followed by periods of significant outperformance of the XBI versus the S&P 500, denoted by the green arrows on the graph, which usually results in the biotech index reclaiming prior outperformance highs. We believe the relative performance drawdown of the XBI versus the S&P 500 has likely run its course, as shown by some indications of stabilisation in Figure 3 below over the past few months. We continue to expect small cap biotech to outperform the S&P 500 from current levels, just as it has rebounded historically.

XBI VS. S&P 500 (SPX) SPREAD SINCE XBI INCEPTION

Recent drawdown appears to have stabilised, setting up a potentially strong recovery

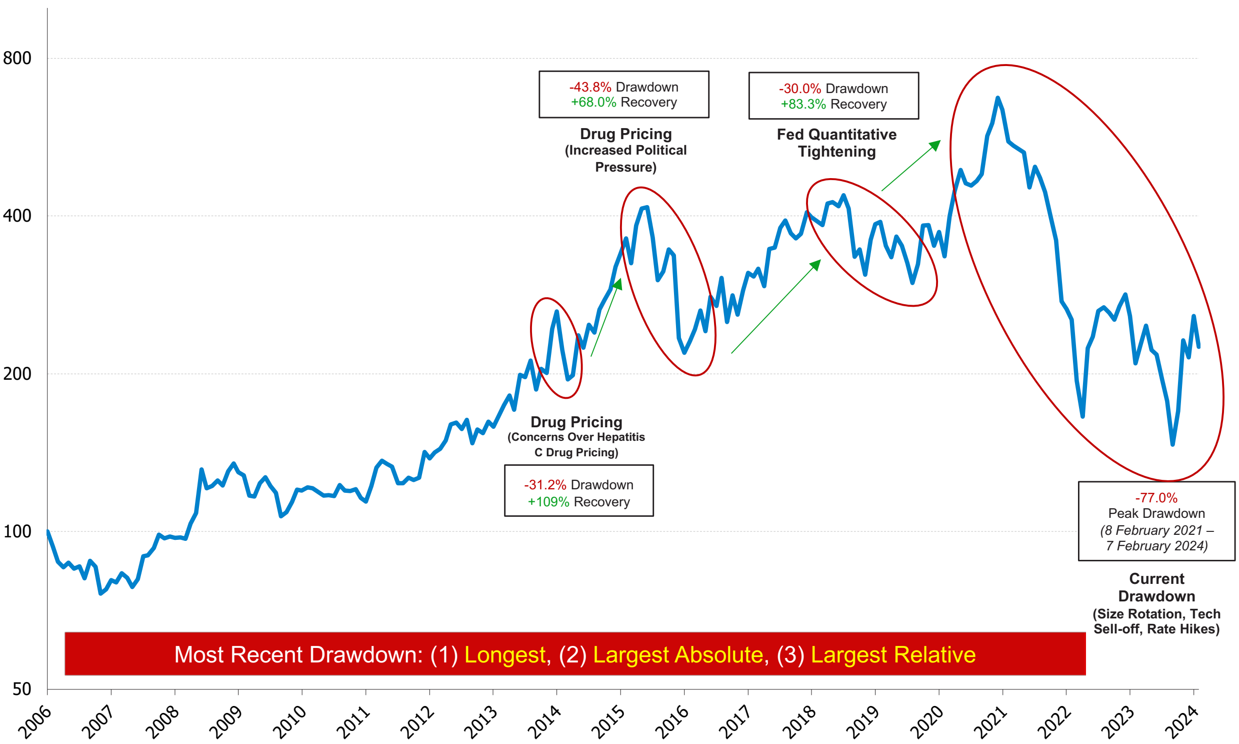


Figure 3

Note: Drawdowns are calculated using daily closing prices, while chart is shown using monthly periodicity for smoothing purposes. Updated as of 31 March 2024.
Source: JPM (Drawdowns and Recoveries) | OrbiMed (XBI - SPX Spread Chart since XBI Inception).

Despite the nascent recovery in small cap biotech, absolute valuations remain at historically depressed levels. 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 Figures 4 and 5, we estimate close to 15% of the biotech universe, representing approximately 60 companies, is now trading at a negative enterprise value as of 31 March 2024. While there has certainly been an improvement on this metric coincident with the recent recovery in emerging biotech, we expect further valuation increases will restore levels to historical norms.

BIOTECH VALUATIONS RECOVERING FROM UNPRECEDENTED LOWS

PERCENT OF BIOTECH COMPANIES TRADING BELOW NET CASH ON BALANCE SHEET

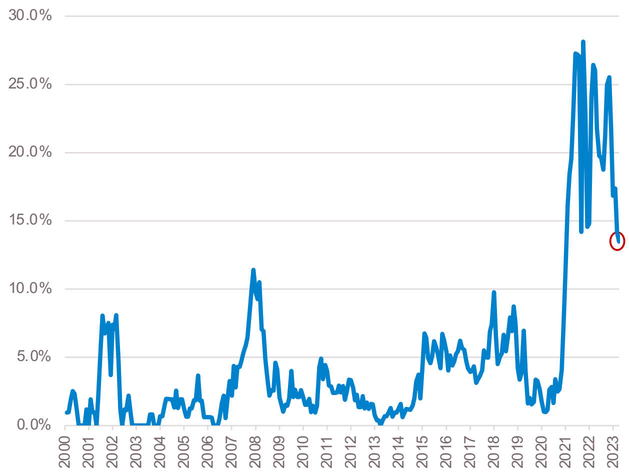


Figure 4

NUMBER OF BIOTECH COMPANIES TRADING BELOW NET CASH ON BALANCE SHEET

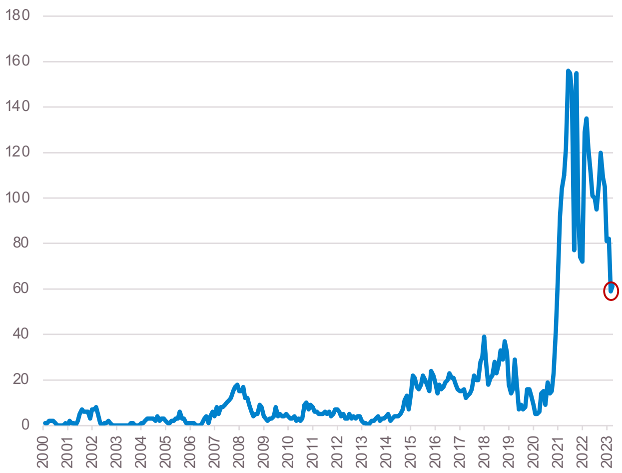


Figure 5

Note: Monthly chart of all Global Industry Classification Standard (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 2024.

Source: Bloomberg

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

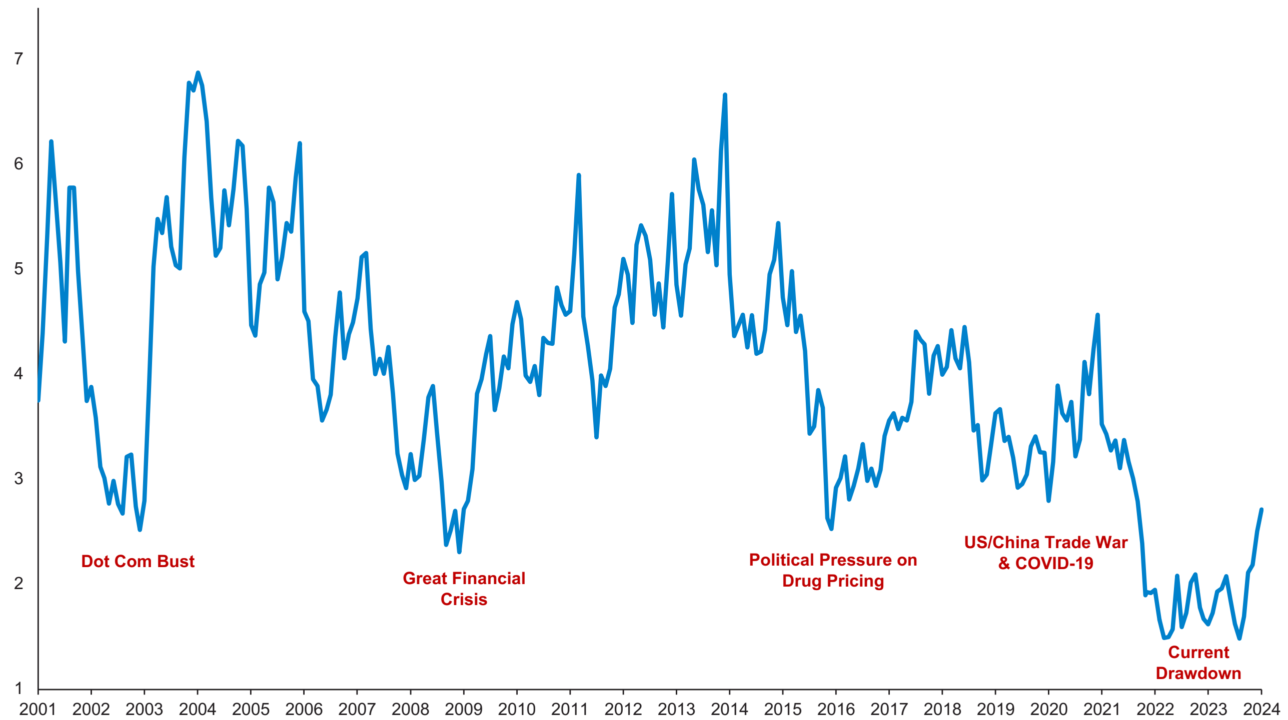


Figure 6

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 2024.

PORTFOLIO MANAGER'S REVIEW CONTINUED

TOP AND BOTTOM FIVE CONTRIBUTORS TO NET ASSET VALUE PERFORMANCE FOR THE YEAR TO 31 MARCH 2024

Top Five Contributors	£'000	Contribution per share (pence)*
Vera Therapeutics	18,242	50.6
Scholar Rock Holding	14,957	41.5
Janux Therapeutics	11,182	31.0
Bellus Health#	9,002	25.0
Chinook Therapeutics#	6,942	19.3
	60,325	167.4
Top Five Detractors		
Travere Therapeutics#	(9,905)	(27.5)
uniQure#	(6,891)	(19.1)
Biogen	(6,601)	(18.3)
Stemirna Therapeutics	(4,985)	(13.8)
Mersana Therapeutics#	(3,818)	(10.6)
	(32,200)	(89.3)

* Based on 36,041,496 shares being the weighted average number of shares in issue during the year ended 31 March 2024.
# Not held at the year end.

We believe the first interest rate cut by the Fed could be the trigger that catalyses a more full-fledged valuation recovery from currently depressed levels. At the current time, the Fed is still anticipating that rate cuts will begin in 2024. In the meantime, continued M&A activity and positive clinical developments should help the sector re-rate.

CONTRIBUTORS AND DETRACTORS

Vera Therapeutics, Scholar Rock Holding, Janux Therapeutics, Bellus Health, and Chinook Therapeutics were the leading positive contributors to performance in the portfolio during the year.

- **Vera Therapeutics** is a clinical-stage biotechnology company focused on developing and commercialising treatments for patients with serious immunological diseases. In July 2023, the company reported positive Phase 2a data for its lead asset atacicept in patients with IgA nephropathy (IgAN), an autoimmune disease in which antibodies build up in kidney tissue. In January 2024, additional positive data was presented, showcasing atacicept as a potential functional cure for IgAN.
- **Scholar Rock Holding** is a clinical-stage biotechnology company developing medicines that target myostatin, a protein that regulates muscle growth. The stock outperformed after the company announced in October that it will advance programs in obesity. This effort in obesity is intended to help individuals retain muscle mass in the context of GLP-1-targeted weight loss therapies, which are associated with both muscle and fat loss. In conjunction with the announcement of these new programs, Scholar Rock also completed an upsized public offering that extended its cash runway.
- **Janux Therapeutics** is a clinical-stage immuno-oncology company developing T-cell engager medicines. In February, shares rose following the release of positive Phase 1 data in prostate cancer, which suggested that the company may have a best-in-class asset. This data also suggested that Janux's technology could be successfully applied to additional targets in tumor types such as lung, kidney, and head and neck cancer.
- **Bellus Health** is a clinical stage company developing camlipixant for the treatment of refractory chronic cough. In mid-April, GlaxoSmithKline agreed to acquire the company for $2 billion in cash, representing a 103% premium to Bellus' share price prior to the announcement.
- **Chinook Therapeutics** is a clinical-stage biopharmaceutical company focused on discovering, developing, and commercialising precision medicines for kidney diseases. In June, Novartis agreed to acquire the company for up to $3.5 billion, a ~67% premium to Chinook's last closing price.

Travere Therapeutics, uniQure, Biogen, Stemirna Therapeutics, and Mersana Therapeutics were the principal detractors for the year.

- **Travere Therapeutics** is a commercial-stage biotechnology company focused on rare diseases. In late September, the company's two-year Phase 3 trial showed a numerical benefit for its drug Filspari versus standard of care on kidney function, but missed statistical significance by a narrow margin in patients with IgA nephropathy. Filspari was subsequently approved under Accelerated Approval, but the commercial launch has been slower than expected.
- **uniQure** is a clinical-stage gene therapy company that focuses on neurological disorders. In June, the company showed interim data from its Phase 1/2 trial of its gene therapy for Huntington's disease, a genetic disorder that causes breakdown of nerve cells in the brain, that fell below investor expectations.
- **Biogen** is a large cap biotechnology company with a pipeline of commercial and clinical stage treatments for neurological and neurodegenerative diseases. The company's stock declined due to a slower-than-expected launch of Leqembi, its first-in-class treatment for Alzheimer's disease.
- **Stemirna Therapeutics** is a private Chinese biotech company developing mRNA-based vaccines and therapeutics. The Company initially invested in Stemirna in 2021 because it was developing one of the leading domestic mRNA-based COVID vaccines in China at a time when no mRNA-based vaccines had yet been approved in China. Given that the commercial opportunity for COVID vaccines has diminished substantially, Stemirna decided to abandon its COVID program and focus on its earlier-stage programs, including a personalised cancer vaccine in Phase I. As a result, the company's next financing round will likely be done at a substantial discount to its last round. The Company's third-party valuation agent, Kroll, recommended an appropriate write-down to reflect this update.
- **Mersana Therapeutics** is a clinical stage company developing antibody-drug conjugate therapeutics. At the end of July, the company's shares declined when the company announced that its lead asset, UpRi, had failed to show a significant benefit in late-stage ovarian cancer patients.

PORTFOLIO MANAGER'S REVIEW CONTINUED

REGULATORY CLIMATE CONTINUES TO BE CONSTRUCTIVE

The U.S. Food and Drug Administration (FDA) regulatory environment for the approval of novel drugs remains constructive. Since the first year of the Trump administration in 2017, we have witnessed an elevated level of new drug approvals at the FDA. In fact, as shown in Figure 7, 2023 was a record year for FDA new drug approvals (including biologics approved at FDA's biologics division and drugs approved by the FDA's traditional drug division). The increased number of approvals likely reflects a combination of increased innovation in the sector and continued agency flexibility on approval requirements. The FDA has generally been proactive about approving new drugs quickly if they address unmet medical needs, even if some of the clinical trials have delivered mixed results. About 65% of drug approvals in 2023 used an expedited means of approval, whether it be Fast Track, Breakthrough Designation, Priority Review, or Accelerated Approval. We do not foresee any change to this favourable regulatory climate, regardless of who is elected president in the U.S. in November 2024.

FDA NEW MOLECULAR ENTITY APPROVALS AT RECORD HIGHS

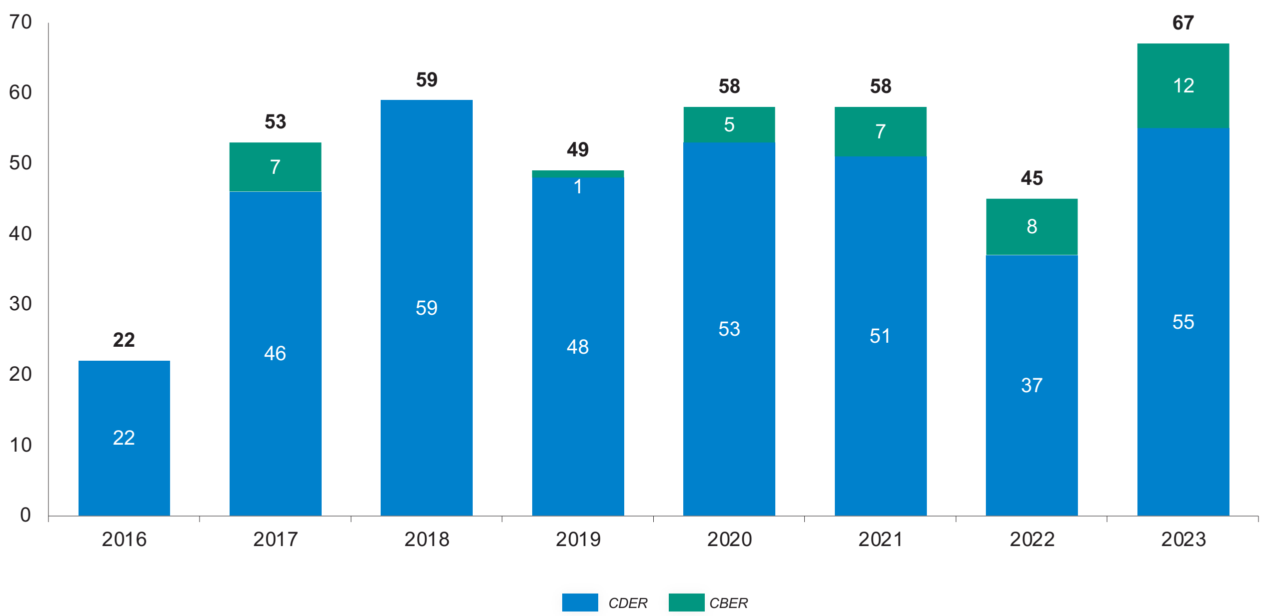


Figure 7
Source: FDA Centre for Drug Evaluation and Research (CDER) and Centre for Biologics Evaluation and Research (CBER) as of 31 December 2023.

EXPECT SOME ELECTION YEAR NOISE ON DRUG PRICING BUT NOTHING MATERIAL IN THE NEAR TERM

With the upcoming U.S. presidential election in November 2024, we expect both presidential candidates, Joe Biden and Donald Trump, to discuss ways in which they might reduce drug prices if elected. We view this as campaign-related rhetoric to attract votes and do not foresee any substantive legislative changes on this issue post-election. In 2022, the Biden administration signed into law the Inflation Reduction Act (the IRA), which granted Medicare the authority to negotiate drug prices. Given that this law already addresses the drug pricing issue, we think it would be unlikely that Congress would revisit the topic again post-election. Additionally, any further adverse drug pricing legislation would likely require the Democrats to control both chambers of Congress and the presidency, which is highly uncertain at the current time. Meanwhile, Big Pharma has launched numerous legal challenges against the government to overturn the law and the drug industry continues to engage in intense lobbying to soften some of the IRA's requirements. From an M&A perspective, the IRA may actually assist the biotech industry. The prospect of Medicare-related price cuts on key products for Big Pharma only increases the need of those companies to acquire biotech companies to maintain earnings growth.

FINANCING ACTIVITY SURGING WITH CONFIDENTIALLY MARKETED TRANSACTIONS OFFERING OUTSIZED RETURNS

After a relatively quiet 2022 and the first half of 2023, initial public offerings (IPOs) have begun increasing again as valuations have recovered. The Company has selectively participated in some IPOs thus far and will continue to do so. We did not make any new private investments during the fiscal year as the IPO market is still in the early stages of opening up, and we want to make sure any private investment we make has an opportunity to go public within the next 12 months. We continue to monitor the receptivity of the capital markets and will resume making crossover investments once we feel the IPO window has conclusively opened.

As of 31 March 2024, the Company had two private company investments totaling approximately 3.2% of the Company's NAV. Both of the positions are Chinese biotech companies: XtalPi, an artificial intelligence-based drug discovery company, and Stemirna Therapeutics, a Chinese mRNA vaccine company. During the fiscal year, as explained above, Kroll recommended (and the Board approved, following a recommendation from the Valuation Committee) a significant write-down on Stemirna given the company's pivot away from its mRNA COVID vaccine due to the lack of commercial demand. XtalPi still hopes to go public in 2024.

The follow-on financing environment for quality emerging biotech companies remained relatively strong throughout the fiscal year, capped by a particularly strong quarter ending 31 March 2024. In general, companies with strong fundamentals have had no problems raising capital from equity investors, while companies of lesser quality have continued to find fundraising difficult.

Recently, there has been an increasing trend of companies conducting confidentially marketed offerings to a select number of potential investors. To attract further interest from healthcare investors, companies are disclosing confidential information about their programs as part of the process, including clinical trial data and other material information. The investors that participate are restricted from trading in the stock while they conduct diligence on the investment opportunity before the financing is disclosed to the public. Given OrbiMed's longstanding presence in the healthcare investment space, the firm is regularly invited to participate in many of these deals, averaging four to five deals per week. We would note that in most cases only a handful of investment firms are informed of these confidential financings; they are not broadly offered to the wider investment community. We have been extremely selective in participating in these deals and only invest in a small minority of them.

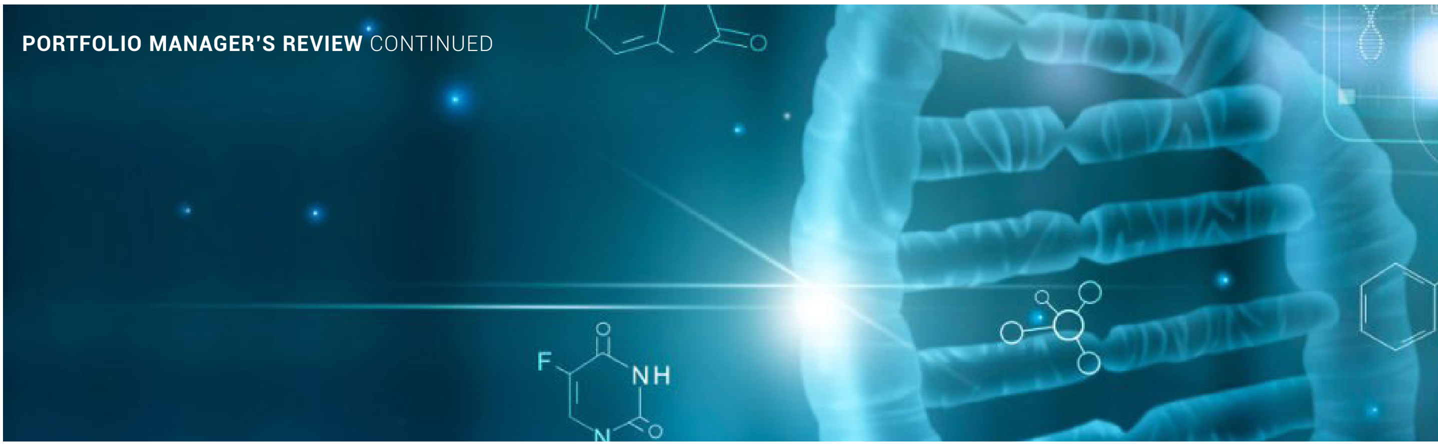
Some recent financings where we were able to take advantage of this fundraising paradigm include:

1) In October 2023, we invested $8.5 million in an equity offering for Scholar Rock Holdings. The company shared confidentially the launch of a new obesity program with its anti-myostatin antibody, which has shown promising weight-reduction effects in mice while preserving lean muscle mass. Our holding in Scholar Rock contributed approximately 4.6% to NAV performance for the fiscal year.

2) In July 2023, we invested $2.2 million in a confidentially marketed financing for Janux Therapeutics. The company shared some encouraging early data for its T-cell engager in prostate cancer as part of our investment due diligence. We added to our position after the financing. A positive update on the prostate cancer dataset was subsequently released in February 2024, leading to a sharp rise in the stock. Our holding in Janux Therapeutics contributed approximately 5.5% to NAV performance for the fiscal year.

3) In August 2023, we invested $4.7 million in an offering for Mirati Therapeutics. Prior to the deal, the company shared confidentially updated data for its drug, Krazati, in lung cancer, promising initial data for a PRMT5 inhibitor for cancer, and news of a CEO change. All of this news was released to the marketplace simultaneously with news of the completed financing. The stock reacted positively to the news and two months later, Bristol Myers Squibb announced that it was acquiring Mirati for $5.8 billion. Our holding in Mirati contributed approximately 1.2% to NAV performance for the fiscal year.

We will continue to leverage the firm's access to confidentially marketed deal flow to make attractive investments.



BIOTECH IPOs BY QUARTER

Count by Quarter (#)

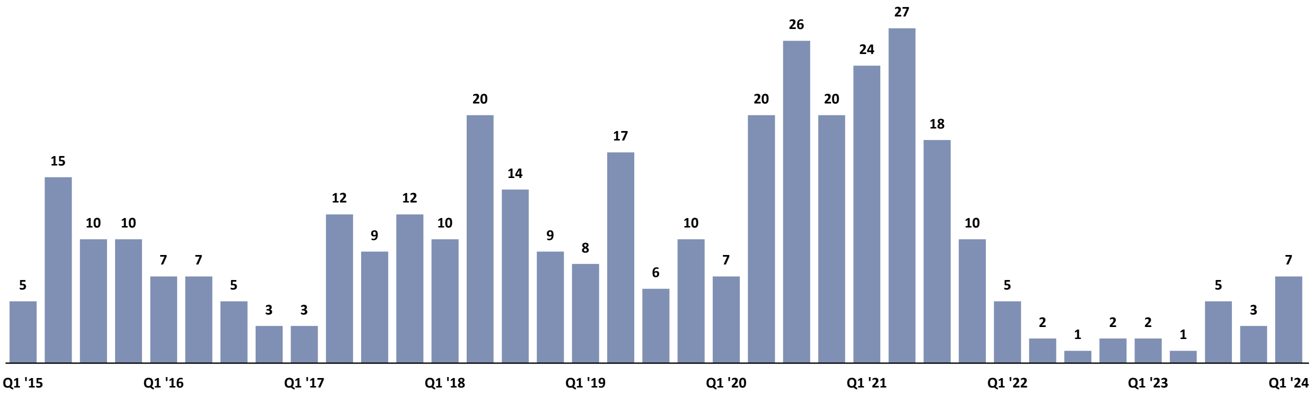


Figure 8

Volume by Quarter ($)

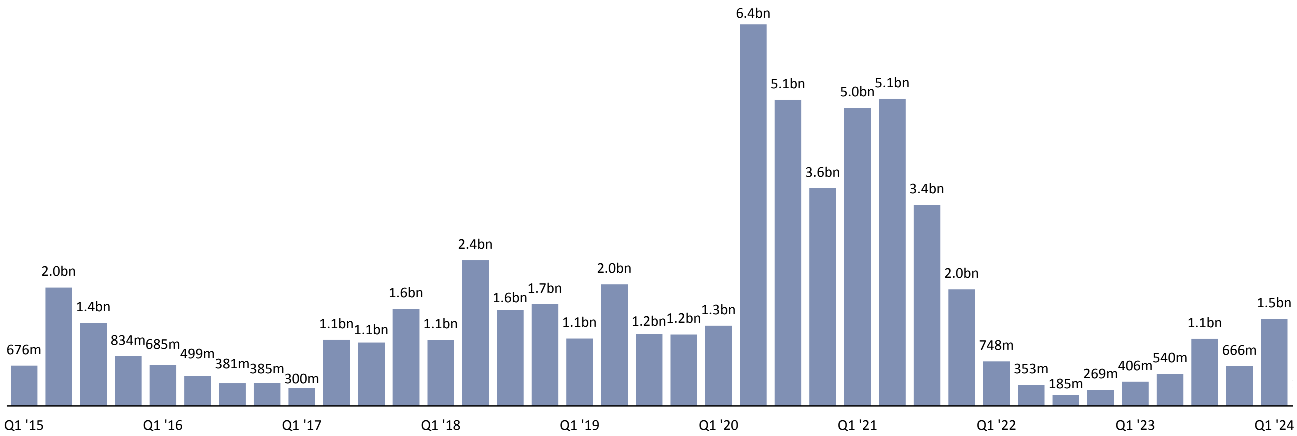


Figure 9

Source: Dealogic as of 11 April 2024.

Includes all SEC registered biotech IPOs greater than $50 million.

BIOTECH FOLLOW-ONS BY QUARTER

Count by Quarter (#)

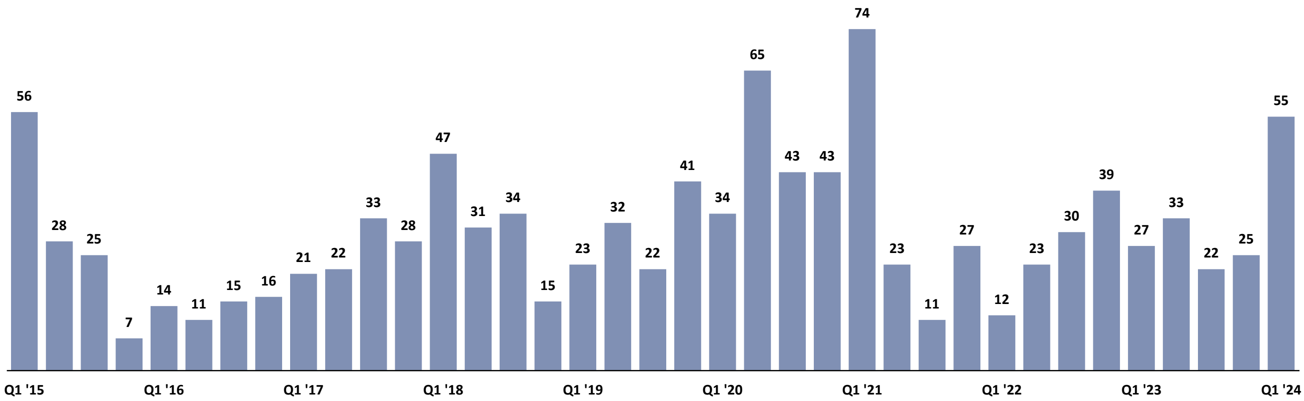


Figure 10

Volume by Quarter ($)

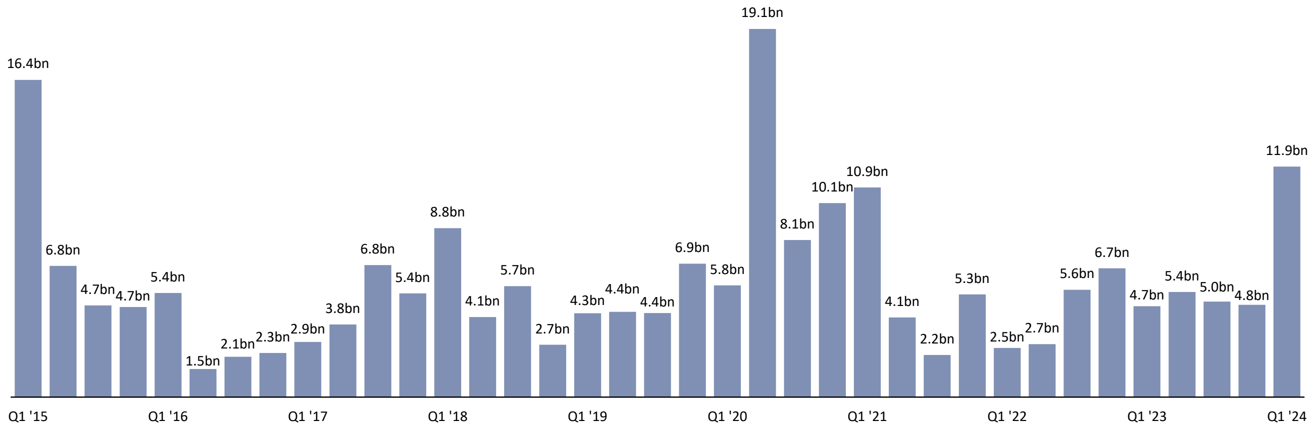


Figure 11

Source: Dealogic as of 11 April 2024.

Includes all SEC registered biotech follow-ons greater than $50 million. A follow on offering is when a public company issues more shares after completing its IPO and is publicly traded on an exchange. Note: includes registered direct offerings (a public offering of securities sold on a best efforts basis by a placement agent engaged by an issuer to introduce the issuer to potential investors).

PORTFOLIO MANAGER'S REVIEW CONTINUED

M&A ACTIVITY CONTINUES TO BE ROBUST

Biotech M&A activity continued to be robust during the fiscal year, driven by: 1) the low valuations of biotech targets; and 2) the urgent need of Big Pharma to acquire new products to replace lost revenues from expected patent expirations in the second half of the decade.

BIOTECH M&A CONTINUING AT ELEVATED RATE

Publicly-Traded Biotech M&A Activity (2018-2024)

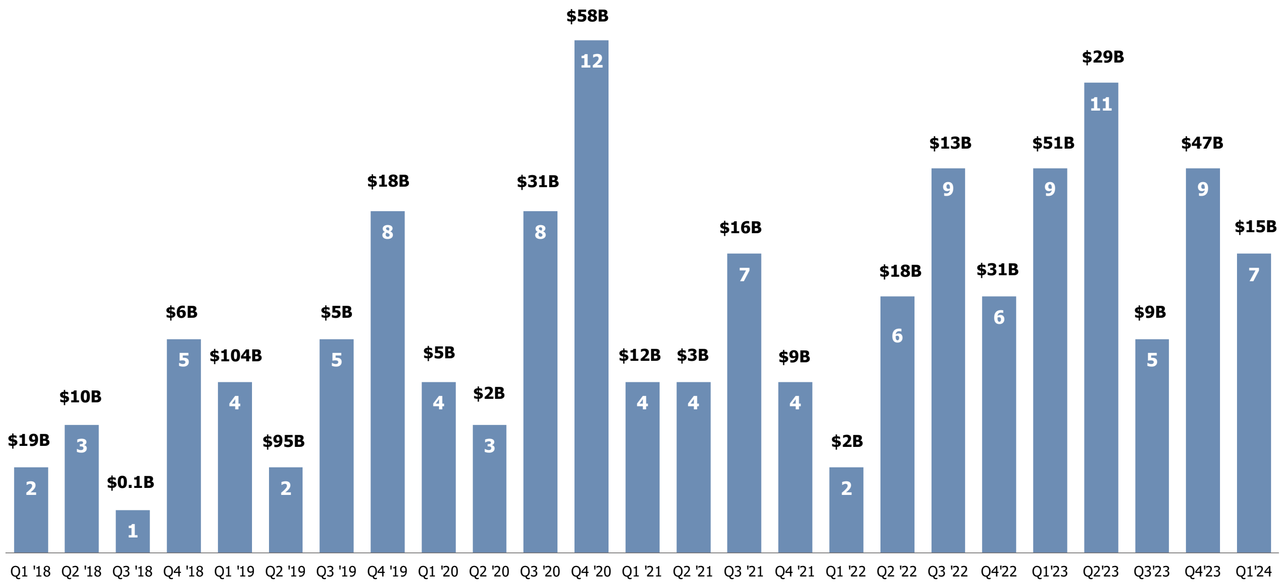


Figure 12
Represents announced transactions where the target was a publicly traded company.
Source: FactSet, data as of 31 March 2024.

The Company benefited directly from six M&A transactions during the fiscal year because of holdings at the time of the announcement in the target companies:

- GlaxoSmithKline's acquisition of Bellus Health for $2 billion;
- Novartis' acquisition of Chinook Therapeutics for $3.5 billion;
- Eli Lilly's acquisition of DICE Therapeutics for $2.4 billion;
- Bristol Myers Squibb's acquisition of Mirati Therapeutics for $5.8 billion;
- AstraZeneca's acquisition of Gracell Biotechnologies for $1.2 billion; and
- Johnson & Johnson's acquisition of Ambrx Biopharma for $2 billion.

Though many transactions have occurred, many Big Pharma companies still need to do more to shore up their pipelines. Acquirors are typically looking for biotech companies with drugs that have already demonstrated proof of concept in a clinical trial and have commercial potential in excess of $1 billion in sales. Strategic fit with the acquirors' existing therapeutic areas of focus and strong intellectual property are additional considerations. As shown in Figure 13, we estimate close to $270 billion of blockbuster drug sales are at risk of generic or biosimilar competition by the end of the decade, including mega-blockbusters like Merck's Keytruda and Bristol Myers Squibb's Eliquis. We believe there are many holdings in the portfolio that would make suitable M&A targets for larger companies.

BIG PHARMA PATENT CLIFF DRIVES BIOTECH M&A

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

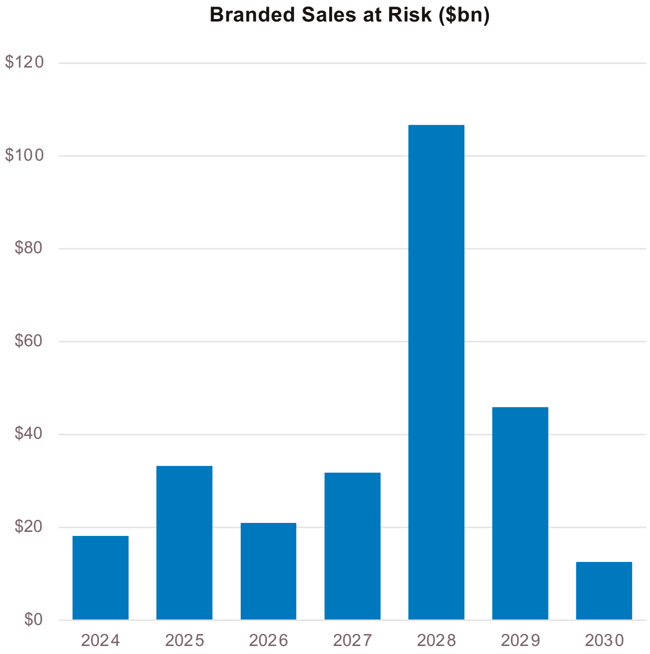


Figure 13

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

Company	Drug	US Loss of Exclusivity (Projected)	'23 Global Sales ($bn)
Merck	Keytruda	2028	$25.0
Bristol Myers Squibb & Pfizer	Eliquis	2026	$12.2
Sanofi	Dupixent	2029	$11.6
Johnson & Johnson	Stelara	2025	$10.9
Johnson & Johnson	Darzalex	2029	$9.7
Bristol Myers Squibb	Opdivo	2028	$9.0
Abbvie & Johnson & Johnson	Imbruvica	2027	$4.9
Pfizer	Ibrance	2027	$4.8

Source: S&P Global report, company reports

STRONG INNOVATION CONTINUES TO DRIVE INDUSTRY VALUE

Innovation remains strong for the biotech industry. A significant proportion of the 67 drug approvals by the FDA in 2023 consisted of first-in-class drugs with mechanisms of action different from those of existing therapies. While biotech has generally been a high-risk sector, these approvals of drugs based on previously unproven modalities show that the sector is maturing. Below are just some examples of first-in-class novel drug approvals originated by biotech companies in 2024:

- Casgevy, the first gene-editing CRISPR-based treatment ever approved, for sickle cell disease (Vertex Pharmaceuticals/CRISPR Therapeutics);
- Roctavian, the first gene therapy approved for hemophilia A (BioMarin Pharmaceuticals);
- Elevidys, the first gene therapy approved for Duchenne muscular dystrophy (Sarepta Therapeutics);
- Vyjuvek, the first topical gene therapy ever approved, for dystrophic epidermolysis bullosa (Krystal Biotech);
- Daybue, the first treatment for Rett syndrome (Acadia Pharmaceuticals);
- Skyclarys, the first treatment for Friedrich's ataxia (Biogen); and
- Zurzuvae, the first oral medication for postpartum depression (Sage Therapeutics/Biogen).

PORTFOLIO MANAGER'S REVIEW CONTINUED

The number of next generation biotherapeutics entering development based on novel development technologies like cell therapy and gene therapy continues to rise. The Company has exposure across a wide swath of these new technologies, as shown below (note some positions are double counted because they use more than one technology):

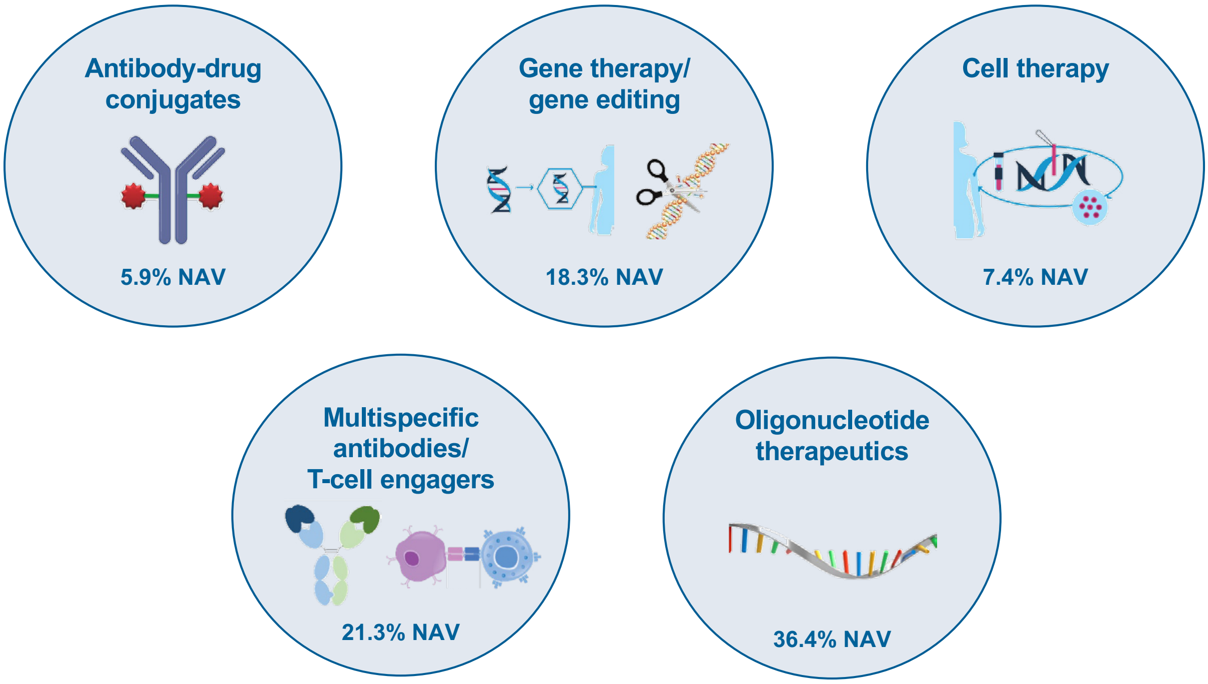


Figure 14
Percentage of Company NAV as of 31 March 2024. Some positions are double counted because they use more than one technology.
Source: OrbiMed

Other seminal events in the biotech sector during the review period include:

- Argenx announced positive Phase 3 data for Vyvgart, an anti-FcRN antibody, in chronic inflammatory demyelinating polyneuropathy (CIDP), an autoimmune disease that causes muscle weakness. Vyvgart is expected to become the first novel treatment for CIDP approved in over 10 years.
- MoonLake Immunotherapeutics reported best-in-class Phase 2 efficacy and safety data for its anti-IL17 nanobody sonelokimab in hidradenitis suppurativa, a painful chronic skin condition that causes skin abscesses and scarring of the skin.
- Crinetics Pharmaceuticals announced a positive Phase 3 trial for paltusotine, the first once-daily oral medication for the treatment of acromegaly, a rare condition where the body produces too much growth hormone.
- Cytokinetics reported best-in-class Phase 3 safety and efficacy data for aficamten, a cardiac myosin inhibitor, for the treatment of obstructive hypertrophic cardiomyopathy, a disease that causes impaired heart function. The results of the study showed that aficamten improved exercise capacity and increased peak oxygen uptake relative to a placebo.

While innovation is taking place across all therapeutic areas and drug development technologies, we are currently finding particularly attractive investment opportunities in the following areas:

Obesity

Eli Lilly and Novo Nordisk have generated significant sales for their obesity drugs and sell-side analysts now expect the therapeutic category to reach $100+ billion in sales in 2030. Because those two companies are considered to be Big Pharma companies, we have not held them in our biotech portfolio. Given the commanding lead that Eli Lilly and Novo Nordisk have established and the fact that their pipeline assets have already shown weight loss of 20-25%, our view is that biotech companies will need to differentiate based on mechanism of action, tolerability, or some other significant aspect in order to take market share. Some examples of biotech companies held in the portfolio as of 31 March 2024 that have obesity programs include:

- **Scholar Rock Holding** - Current GLP-1 agents cause people to lose both fat mass and muscle mass. Scholar Rock is developing an anti-myostatin antibody that could be dosed in conjunction with GLP-1 agents in order to preserve muscle mass. We like the fact that this agent would not directly compete with the leading assets from Eli Lilly and Novo Nordisk but would instead be used as a companion therapeutic that could ride on the coattails of those agents.

- **Innovent** - Innovent is a leading Chinese biotech company that is developing mazdutide, a GLP-1/GPCR dual agonist, for obesity in Phase 3 trials in China. We believe Innovent will be first-to-market with a new branded agent in obesity among domestic companies in China and should therefore take a significant share in that market.

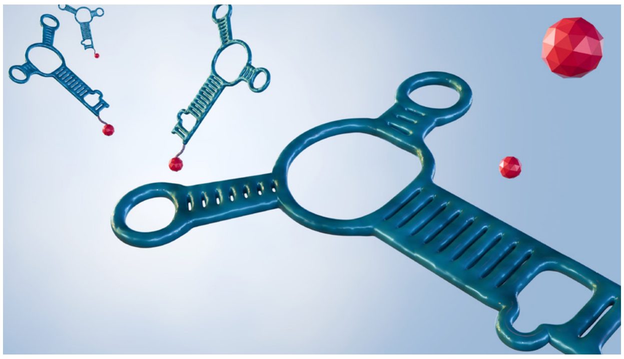
- **BrightGene Bio-Medical Technology** - BrightGene is a Chinese biotech developing a dual GLP-1/GIP agent for obesity in Phase 2. We believe the drug could deliver better efficacy than Eli Lilly's Mounjaro/Zepbound.

- **Lexicon Pharmaceuticals** - Lexicon announced a weight loss agent with a novel mechanism of action targeting ACLS5 in April 2024 during its analyst day.

- **Amgen** - Amgen is a large cap biotech company developing an obesity agent called MariTide that could be dosed on a once-monthly basis rather than on a weekly basis.

- **Regeneron Pharmaceuticals** - Regeneron is a large cap biotech company that is developing antibodies against myostatin and activin A to preserve lean muscle mass as an adjunct treatment for GLP-1 agents.

Oligonucleotide Therapeutics

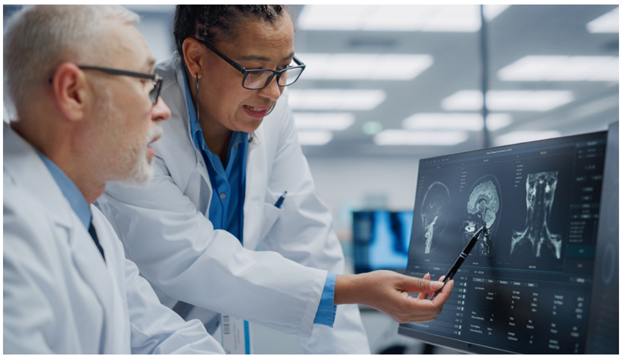


Oligonucleotides are short strands of DNA or RNA that can be administered to patients to allow them to express a new protein or to block expression of a patients' genes for therapeutic effect. Some examples of biotech companies held in the portfolio as of 31 March 2024 that have oligonucleotide therapeutics include:

PORTFOLIO MANAGER'S REVIEW CONTINUED

- **Sarepta Therapeutics** - Sarepta Therapeutics is a leader in precision genetic medicine for rare diseases. It currently has three commercial RNA-based products for Duchenne muscular dystrophy (DMD), and it has the first FDA-approved gene therapy, Elevydis, for this devastating disease. Elevidys is only approved for 4-5 year olds currently, but we believe it is likely to secure a broader label this year that will allow it to be marketed to all age groups.
- **Ionis Pharmaceuticals** - Ionis Pharmaceuticals is a leader in RNA-targeted therapeutics. The company has made tremendous progress in the last 12 months - pivoting from a clinical stage company to an independent commercial organisation. The company's marketed products include Qalsody for SOD1-amyotrophic lateral sclerosis, Spinraza for spinal muscular atrophy, and Wainua for TTR polyneuropathy. The next wave of late-stage products include donidalorsen for hereditary angioedema and olezarsen for familial chylomicronemia syndrome.
- **Dyne Therapeutics** - Dyne Therapeutics is a clinical-stage muscle disease company with a proprietary FORCE™ platform to deliver antisense oligonucleotides conjugated to antigen-binding fragments to muscle tissues. Its lead program in myotonic dystrophy Type 1 (DM1) has demonstrated best-in-class efficacy in improving patient function.
- **Avidity Biosciences** - Avidity Biosciences is an emerging biotech company developing first-in-class antibody oligonucleotide conjugates which combine the tissue selectivity of monoclonal antibodies with the precision of oligonucleotide-based therapies. It is leading the field with clinical development programs for three rare muscle diseases: myotonic dystrophy type 1 (DM1), Duchenne muscular dystrophy (DMD), and facioscapulohumeral muscular dystrophy (FSHD).

Oncology



Oncology remains the largest therapeutic area of drug development for the biopharmaceutical industry given the significant unmet need that still exists. Some examples of biotech companies held in the portfolio as of 31 March 2024 that have novel approaches to treating cancer include:

- **Geron** - Geron is a clinical stage oncology company developing imetelstat, a telomerase inhibitor. In 2023, Geron announced positive Phase 3 trial results in low-risk myelodysplastic syndrome (MDS), an indication with few effective options for patients. If approved, imetelstat would become the first ever FDA-approved telomerase inhibitor. We believe that the commercial launch of imetelstat will be successful, driven by broad uptake among academic and community physicians seeking to treat a large fraction of low-risk MDS patients.
- **Janux Therapeutics** - Janux is developing a bispecific T-cell engager that has shown compelling early data in prostate cancer. The company's masking technology allows its bispecific to preferentially activate the immune system at the site of the tumor, facilitating tumor-specific killing and reducing toxicity to healthy tissue. The platform has potential broad applicability to a range of solid tumors.
- **ALX Oncology** - ALX Oncology is developing a CD47 immune checkpoint inhibitor to turn off one of the mechanisms by which cancer cells evade the immune system. The company combines its therapy with anti-cancer antibodies as well as antibody-drug conjugates to enhance its effectiveness. ALX has recently shown that its drug combined with the standard of care in later line gastric cancer significantly increased the number of patients that had their tumors shrink relative to patients on the standard of care alone.

STRATEGY, OUTLOOK, AND ORBIMED UPDATE

We are encouraged that the recovery in small and mid cap biotech that we have been predicting for the past couple of years finally appears to be manifesting itself. Strategy-wise, we intend to remain overweight small caps and underweight large caps versus the Benchmark, as we believe we are still in the early stages of an emerging biotech recovery from depressed valuation levels. Having said that, we are cognisant that the interest rate picture in the U.S. can change rapidly, leading to short-term volatility in the portfolio. Our aim is to identify quality companies with promising drugs that can generate value regardless of market conditions.

From a risk management perspective, we diversify the portfolio by stage of company, geography (U.S., Europe, China), therapeutic area, and drug development technology. We manage much of the idiosyncratic risk via prudent position sizing. When we hold stocks into binary events like a pivotal clinical trial result, we size the positions to minimise downside risk in case the events turn out to be negative. The biotech sector is a rapidly changing industry with stock-moving catalysts occurring on a daily basis, whether it is a clinical trial result, a regulatory decision, or an earnings result. Frequently a clinical trial result for one company not only affects the share price of that company but also the share prices of any competitors in the field. Because the portfolio is tilted towards more volatile smaller stocks, turnover in the portfolio is relatively high in order to successfully navigate these catalysts in a prudent way. The annual one standard deviation move in a small cap biotech stock is roughly 78%. Most small cap biotech companies' entire valuation depends on the success or failure of a single lead asset. As a result, we regularly trade around positions (trimming high, adding low) to ensure position sizes appropriately reflect risk/reward, especially in advance of binary events. The turnover in the portfolio during the fiscal year was 102% and shareholders should expect that level of turnover going forward. The portfolio had an average of 56 positions during the fiscal year and we added 20 names and exited 17 names over the course of the year. In addition, we made an intra-period entry and exit in nine stocks during the fiscal year (i.e. we initiated a new position in a stock and sold the stock completely during the fiscal year). The turnover reflects valuation discipline and appropriate risk management. Gearing will remain in the 5-10% range.

There were no significant changes to the OrbiMed research team during the fiscal year. Despite the macro volatility, we remain focused on the fundamentals of each company that we invest in and remain committed to delivering the best returns for the Company's shareholders. We continue to believe that the valuation disconnect we are currently observing in the sector provides an excellent entry point for long-term investors seeking to invest in the breakthrough innovation in biotech.

OrbiMed Advisors LLC
Portfolio Manager
4 June 2024

ORBIMED'S APPROACH TO ESG

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 decision-making. The Portfolio Manager seeks to invest in innovative healthcare companies that are working towards addressing significant unmet medical needs, across biopharmaceuticals, medical devices, diagnostics, and healthcare services sectors, 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 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 screens potential investments and business sectors for factors that may lead to negative impacts on public health or wellbeing. The Portfolio Manager considers healthcare sector-specific guidance from the Sustainability Accounting Standards Board (SASB) to determine material ESG factors as part of its investment research. Social factors such as affordability, pricing, access, and safety dominate the financially material ESG issues for the pharmaceutical, biotechnology, and medical devices sub-sectors, followed by governance factors. 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 material. 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 also 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 regularly track ESG information on 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 2023 and 31 March 2024, a total of 401 proposals came to vote within the Company's portfolio. Of these, 400 were management proposals and one was a shareholder proposal.

ORBIMED VOTING DURING THE YEAR ENDED 31 MARCH 2024

Proposed by	Total number of proposals	Voted for	Voted against	Votes abstained/ withheld
Management	400	347	50	3
Shareholder	1	0	1	0

There were no management or shareholder proposals on any material ESG topics, as listed in the SASB guidance for the biotechnology and pharmaceuticals sub-sector.

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

CLIMATE CHANGE

As per the guidance from SASB, climate change is not a material ESG consideration for biotechnology and pharmaceutical, medical equipment and supplies, and managed care sectors. However, energy management is noted as a material ESG concern for the healthcare delivery sector. To that end, OrbiMed includes the scores on energy management for the relevant sectors in its overall ESG monitoring.

REGULATORY UPDATE ON ESG

During the year, regulators around the world remained active on defining and classifying ESG investing and curbing greenwashing. The UK Financial Conduct Authority (FCA) released its final Policy Statement on Sustainability Disclosure Requirements (SDR) and investment labels on 28 November 2023. The UK SDR, which applies to all FCA-regulated firms, introduces a set of sustainability-related product labels, product and entity-level disclosures, and anti-greenwashing rules for sustainable investing in the UK. While the Portfolio Manager considers ESG issues to be important when selecting investments, the Company does not have explicit sustainability objectives in its investment policy and the Company will not seek to apply a sustainability label under SDR.

OrbiMed Advisors LLC
Portfolio Manager
4 June 2024

BUSINESS REVIEW

The Strategic Report on pages 1 to 39 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 listed on the premium segment of the Official List and traded 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.

- 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 implementation 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 9 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 the 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 (sterling adjusted). The Board also monitors the Company's performance against its peer group.

The Board is recommending to shareholders a change to the Benchmark Index. Please refer to the Chair's Statement beginning on page 2 for further information.

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 (2023: 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 Annual General Meeting to be held in 2025.

BUSINESS REVIEW CONTINUED

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, 5 and 6. 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 (sterling adjusted) (the Benchmark). 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 total share return was 26.5%, outperforming the Benchmark by 21.5% (2023: -11.0%, underperforming the Benchmark by 16.4%). Since OrbiMed's date of appointment (19 May 2005) to 31 March 2024, the Company's net asset value per share total return is 983.3% compared with 840.9% 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 27.1% (2023: -12.8%). Since OrbiMed's date of appointment (19 May 2005) to 31 March 2024, the Company's share price total return is 955.7% compared with Benchmark performance of 840.9%.

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 mechanism 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% on any one day due to sector volatility and the fact that the share price

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

continues to be influenced by the overall supply of and demand for the Company's shares in the secondary market. Any decision to repurchase shares is at the discretion of the Board. 5,205,221 shares were repurchased by the Company during the year (2023: 2,421,263).

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 (2023: 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 buy-backs or share issuance is at the absolute discretion of the Board. Please see pages 38 and 39 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 2024 the ongoing charges figure was 1.2% (2023: 1.1%).

^ 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 impact. Further information is provided in the Audit Committee Report beginning on page 58. These principal risks and the ways they are managed or mitigated are set out on the following pages.

BUSINESS REVIEW CONTINUED

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 continued impact of the war in Ukraine and the effect of sanctions against Russia, tensions between the US/West and China, and the Israel/Palestine conflict. 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. Broad economic risks include prolonged inflation and elevated interest rates, slowing global economic growth and the fear or presence of recession.	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 62 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 14 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 36. 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.

No change Increased Decreased

PRINCIPAL RISKS AND UNCERTAINTIES	MANAGEMENT/MITIGATION
PORTFOLIO PERFORMANCE	
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.
SHARE PRICE PERFORMANCE	
The risk that the Company's share price is not representative of its underlying net 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 30 to 31; • 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; • reviews an analysis of the shareholder register at each Board meeting and is kept informed of shareholder sentiment; and • regularly discusses the Company's future development and strategy with the Portfolio Manager and the AIFM.
CYBER RISK	
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, Link and other third-party service providers. Audit Committee reviews the internal controls reports of the principal service providers, as well as their data storage and information security arrangements.

BUSINESS REVIEW CONTINUED

PRINCIPAL RISKS AND UNCERTAINTIES	MANAGEMENT/MITIGATION
KEY PERSON RISK (Decreased)	
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 lead managers and their succession plans. In light of the successful introduction of Mr Golomb as co-portfolio manager, the Board considers that this risk has reduced during the year.
VALUATION RISK (Decreased)	
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 3.8% of the Company's portfolio at the year end. The Company's 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 80. In light of the additional scrutiny provided by the Valuation Committee, and the reduction in the number and proportion of unquoted investments in the Company's portfolio during the year, the Board considers that the potential impact of this risk on the Company has reduced during the year.

* See glossary beginning on page 100.

No change Increased Decreased

PRINCIPAL RISKS AND UNCERTAINTIES	MANAGEMENT/MITIGATION
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 14 to the financial statements beginning on page 90.
OPERATIONAL DISRUPTION	
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 meeting as 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.

BUSINESS REVIEW CONTINUED

EMERGING RISKS

The Company has 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 its half-yearly meetings. 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.

During the year, the Audit Committee identified and discussed emerging elements of market risk such as threats to research funding and increased costs in the biotechnology sector which may affect the Company's investee companies and potentially damage the breadth and pace of future development. The Audit Committee also discussed demographic trends in China and Europe including, notably, the potential impact of ageing populations. It was noted that this could present opportunities for the biotech and healthcare sectors but may also have broader adverse effects including reduced economic growth and a reduction in the availability of risk capital needed to fund innovative companies and technologies.

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 for at least the next 12 months from the date of approval of this report on 4 June 2024. 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.

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 for at least the next 12 months from the date of approval of this report on 4 June 2024. Accordingly, the Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

VIABILITY STATEMENT

In accordance with the UK Corporate Governance Code and the Listing Rules, 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. The Board has chosen a five-year horizon in view of the long-term outlook adopted by the Portfolio Manager when making investment decisions.

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 96.3% of the current portfolio could be liquidated within 30 trading days and 94.5% in seven 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 14 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 the interest rate charged on the Company's loan facility).

- With an ongoing charges ratio of 1.2%, 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 11 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 Portfolio Manager will continue to adopt a long-term view when making investments;
- 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 2025. 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 5,250,221 ordinary shares in the year under review at a total cost of £43.6 million and experienced no problem with liquidity in doing so. It had shareholders' funds in excess of £361 million at the year end; and
- The long-term performance of the Company will continue to be satisfactory.

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 Listing Rules, the Company is also 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, including their approach to the consideration of climate change in their investment process, can be found on pages 26 and 27.

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 9.

The Company's overall strategy remains unchanged.

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 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. 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 has been and remains available to engage with 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 Board also visited OrbiMed's office in New York where the Directors met with members of the Portfolio Manager's risk management, compliance and trading teams to better understand their internal controls and processes. 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.	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, 5,250,221 shares were bought back during the year. No shares were issued at a premium to the net asset value per share during the year. Please refer to pages 30 and 31 for further information.
• Portfolio composition, performance, outlook and business updates. • The Portfolio Manager's system of internal controls and investment risk management including their cyber security arrangements. • The terms and conditions of the Portfolio Management Agreement, including performance measurement in particular.	The Directors were pleased to be able to visit OrbiMed's offices in New York during the year, to meet with the OrbiMed team in person. While the Board considers the visits to OrbiMed's offices to be valuable, in view of the environmental and cost benefits associated with reduced long distance travel, the Board has agreed that the frequency of such visits should be approximately 18 months. The Board concluded that it was in the interests of shareholders for OrbiMed to continue in their role as Portfolio Manager. Following discussion with OrbiMed, the Board resolved to recommend to shareholders that the total return version of the Nasdaq Biotechnology Index (net, sterling adjusted) should be used as the benchmark against which to assess the Portfolio Manager's performance, rather than the capital return version. Please refer to page 52 and 53 for further details. 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, business continuity plans and cyber security provisions. • 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. See pages 52 and 53 for further details. The Board approved the Audit Committee's recommendation that it would be in the interests of shareholders for BDO to 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.

By order of the Board

Frostrow Capital LLP
Company Secretary
4 June 2024

BOARD OF DIRECTORS

ROGER YATES
Independent Non-Executive Chair

Joined the Board in December 2021

Remuneration: £42,000 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 a non-executive director, senior independent director and remuneration committee chair at Jupiter Fund Management plc. He is also a non-executive director and senior independent director at Mitie Group plc. He is the non-executive Chair of Pacific Horizon Investment Trust plc.

Standing for re-election: Yes

STEVE BATES
Senior Independent Non-Executive Director

Joined the Board in July 2015

Remuneration: £31,500 pa*

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

Shareholding in the Company
10,000

Skills and Experience
Steve has extensive experience as an Investment Manager and was head of global emerging markets at J.P. Morgan Asset Management until 2002. Since then, he has been an Executive Director of Guard Cap Asset Management Limited (and its predecessor company).

Other Appointments
Steve is a Director of GuardCap Asset Management Ltd (where he is also a non-executive Director of GuardCap UCITS Funds PLC (an investment company with variable capital, incorporated in Ireland)).

Standing for re-election: No

JULIA LE BLAN
Independent Non-Executive Director

Joined the Board in July 2016

Remuneration: £ 33,600 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: Yes

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 2024

THE RT HON LORD WILLETTS FRS
Independent Non-Executive Director

Joined the Board in November 2015

Remuneration: £28,875 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 Darktrace plc, Satixfy UK Ltd and of Tekcapital. He is Co-chair of Synbioven, a company which invests in synthetic biology. He serves on the board of UK Research and Innovation. He is also an Honorary Fellow of the Royal Society and of Nuffield College, Oxford.

Standing for re-election: Yes

DR NICKI SHEPHERD
Independent Non-Executive Director

Joined the Board in January 2021

Remuneration: £28,875 pa*

Committees
See page 42 for further information.

Shareholding in the Company
2,000

Skills and Experience
Nicki is the Founder and Director of Bellows Consulting focused on supporting translational research in the biomedical space. She was previously at the Wellcome Trust where she was responsible for the establishment, management and oversight of the Translation Fund, a £30m a year investment into new product development covering therapeutics, vaccines, diagnostics, medical devices and regenerative medicine over a range of clinical indications. Nicki has also held positions at AstraZeneca in Late-Stage Development and Manufacturing.

Other Appointments
Nicki is a Member of the CARB-X Advisory Board. She also sits on or advises a number of scientific panels.

Standing for re-election: Yes

HAMISH BAILLIE
Independent Non-Executive Director

Joined the Board in November 2023

Remuneration: £28,875 pa*

Committees
See page 42 for further information.

Shareholding in the Company
3,000

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 a non-executive director of Mid Wynd International Investment Trust plc.

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 – Steve Bates

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

All Independent Directors

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
Steve Bates

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

Steve Bates, 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, Link Group. 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

BDO LLP
(Statutory Auditor)

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)
- Effectiveness of control environment

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

Link Group
(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.

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 9.8.6 of the 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.

In January 2024 the FRC published a revised UK Corporate Governance Code which will apply to financial years beginning on or after 1 January 2025. The 2018 UK Code remains in place until this time. The Board will consider the updated provisions of the new UK Code over the next year and expects the publication of a revised AIC Code in due course.

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 fully differences of opinion, unique vantage points and to exploit fully 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 open and 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 30.

Representatives of Frostrow met regularly with institutional shareholders and private client asset 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. 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. As a General Partner of OrbiMed, Geoff Hsu recused himself from the Board's considerations of the proposed change to the benchmark index (please refer to the Chair's Statement beginning on page 2 for further information).

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 2024 and the number of meetings attended by each Director.

	Board	Management Engagement Committee	Audit Committee	Nominations Committee	Valuation Committee
Number of meetings held in 2023/24:	**4**	**1**	**2**	**2**	**4**
Hamish Baillie[1]	2	1	1	1	1
Steve Bates	4	1	2	2	4
Geoff Hsu[2]	4	N/A	N/A	N/A	N/A
Julia Le Blan	4	1	2	2	2
Dr Nicki Shepherd	4	1	2	2	N/A
The Rt Hon Lord Willetts	3	1	2	1	N/A
Roger Yates	4	1	2	2	4

All of the serving Directors attended the Annual General Meeting held on 27 July 2023.

1 Hamish Baillie was appointed to the Board with effect from 1 November 2023.
2 Geoff Hsu is not a member of any Board committees.

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 well and recommended to the Board that they should be retained on the existing terms and conditions, save that it be proposed to shareholders that the Company should use the total return version of the Nasdaq Biotechnology Index (sterling adjusted) as the benchmark index. 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.

*See glossary beginning on page 100 for further information.

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. Plans for recruiting a director to succeed Steve Bates following his anticipated retirement at the forthcoming AGM were agreed.

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 Hamish Baillie as a non-executive Director, ahead of the planned retirement of Steve Bates at the forthcoming AGM. The Board engaged the services of a 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 Mr Baillie be appointed as a Director. Nurole has no other connection with the Company.

CORPORATE GOVERNANCE CONTINUED

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 Board will give due regard to the diversity targets in the Listing Rules (set out below), but will not discriminate unfairly on the grounds of gender, ethnicity, age, sexual orientation, disability or socio-economic background when considering the appointment of new directors. Candidates' educational and professional backgrounds, their cognitive and personal strengths, are considered against the specification prepared for each appointment.

The Board has noted the FCA's new Listing Rules which 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 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 third target but has not yet met the first target. The Board notes that the statistics will change when Steve Bates retires from the Board at the conclusion of the forthcoming AGM and will have due regard to these targets in future director recruitment processes.

In accordance with the 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	5	71%	
Women	2	29%	Not applicable*
Not specified/prefer not to say	–	–	

Directors were also given the opportunity to indicate if there was an 'other category' they wished to specify.

	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, including Arab	–	–	
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 externally facilitated review of the Board, its committees and individual Directors (including each Director's independence) was carried out by Lintstock Limited, 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.

Julia Le Blan joined the Board in July 2016. A Chartered Accountant and a former tax partner at Deloitte, she has considerable knowledge of the financial services industry and the investment company sector. Julia became the Chair of the Audit Committee in July 2017.

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.

The Rt Hon Lord Willetts joined the Board in November 2015. A former government minister, he has relevant experience and a strong interest in the biotechnology sector.

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 has been appointed to succeed Steve Bates as Chair of the Management Engagement Committee following Mr Bates' retirement at the forthcoming AGM.

The Chair is pleased to report that following the externally-facilitated performance evaluation, 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 31 to 36.

The Board's assessment of the Company's longer-term viability is set out in the Strategic Report on pages 36 to 37.

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

4 June 2024

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 2024. Disclosures relating to performance, future developments and risk management can be found in the Strategic Report on pages 1 to 39.

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 (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 85 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 14 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 2024 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 considerations of 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 of the portfolio in absolute terms and also by reference to the Benchmark;

– 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, save that it was resolved to recommend to shareholders that the total return version of the Nasdaq Biotechnology Index should be used as the benchmark against which to assess the Portfolio Manager's performance, rather than the capital return version. On the advice of the Board's advisors, this change will be proposed to shareholders at a general meeting to be held immediately after the forthcoming AGM. Further information about the proposed change can be found in the Chair's Statement on pages 3 and 4.

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 80 and note 14 beginning on page 90).

*See glossary beginning on page 100.

SHARE CAPITAL

At 31 March 2024, there were 33,487,198 ordinary shares of 25p each (shares) in issue (2023: 38,737,419). 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 4,092,172 shares on a non-pre-emptive basis and to buy back up to 3,949,857 shares in the market. At the Company's annual general meeting held on 27 July 2023, these authorities expired and new authorities to allot up to 3,724,702 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 5,583,329 shares (representing 14.99% of the Company's issued share capital at the time) were granted.

No new shares were issued during the year. 5,250,221 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 30 and 31.

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 Annual General Meeting will be held at the Barber-Surgeons' Hall, Monkwell Square, Wood St, Barbican, London EC2Y 5BL on Thursday, 18 July 2024 at 12 noon.

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

Resolution 10 Authority to allot shares

Resolution 11 Authority to disapply pre-emption rights

Resolution 12 Authority to buy back shares

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

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

There will be a General Meeting immediately following the conclusion of the AGM on 18 July 2024. A resolution to approve a proposed change to the benchmark index used to measure the Company's performance and the entitlement, if any, of the Portfolio Manager to a performance fee will be put to the meeting. Further information is provided in the Chair's Statement beginning on page 2 and in a circular that has been published separately and sent to shareholders with this Annual Report. The circular is also available on the Company's website.

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 2024. It will continue in effect for the year ending 31 March 2025 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 2024, the Company had been notified of the following substantial interests in the Company's voting rights and there have not been any new holdings notified between the year end and the date of this report.

	Number of shares held	% held
Rathbones	2,061,139	5.0%
Border to Coast Pensions Partnership	1,985,000	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.

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 14 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 76 and 78. No dividend is proposed in respect of the year ended 31 March 2024 (2023: nil).

ALTERNATIVE PERFORMANCE MEASURES

The financial statements (on pages 76 to 98) 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 30 and 31. 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. The Directors do not therefore 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 in respect of which the Directors' Report is prepared 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, Link Group, 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, Link Group, 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

4 June 2024

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 2024; 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

4 June 2024

AUDIT COMMITTEE REPORT

COMPOSITION AND MEETINGS

The Audit Committee (the Committee) comprises all of the independent Directors whose biographies can be found on pages 40 to 41, Julia Le Blan, who has recent and relevant financial experience, was appointed Chair of the Committee in July 2017. In addition, 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 believes it is appropriate for the Chair of the Board to be a member of the Audit Committee on account of his relevant financial and sector experience.

The Committee met twice 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 following:

- 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 2024, 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.

COMPANY'S INVESTMENTS – VALUATION AND OWNERSHIP

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. This does not include any holdings that are subject to an IPO lock-in (see glossary beginning on page 100). 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 Board has established a Valuation Committee which 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.

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.

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 has noted, in particular, the publication by the FRC of the Minimum Standard for Audit Committees and the revised UK Corporate Governance Code. The Minimum Standard will apply to the Company on a comply or explain basis as it is included by reference in the new UK Corporate Governance Code. The Committee will seek to comply with the Standard as far as it is appropriate for an externally managed investment company to do so.

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 80 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.94.5% 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 36.

VIABILITY STATEMENT

The Committee considered the longer-term viability of the Company in connection with the Board's statement in the Strategic Report on pages 36 and 37. 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 has overall responsibility for the Company's risk management and internal control systems and for reviewing their effectiveness. Operational responsibility is delegated to the Audit Committee. The Company's internal control structure is summarised on page 43. The Company applies the guidance published by the Financial Reporting Council on internal controls. Internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve the business objective and can provide only reasonable and not absolute assurance against material misstatement or loss. These controls aim to ensure that the assets of the Company are safeguarded, that proper accounting records are maintained, and that the Company's financial information is reliable.

A description of the principal risks facing the Company (including emerging risks) and an explanation of how they are managed is provided in the Strategic Report on pages 31 to 36. The Directors have established an ongoing process for identifying, evaluating and managing the risks faced by the Company, including emerging risks, which are recorded in a risk register. The Committee reviewed the risk register during the year to ensure the risks facing the Company were correctly defined or articulated, and that the risk scores were appropriate. The Audit Committee, on behalf of the Board, assesses the likelihood of occurrence and the possible impact of each risk. The Committee then considers the Company's ability to reduce or mitigate the incidence and impact of these risks on its performance and records the controls in place.

The Committee reviewed the effectiveness of the Company's risk management and internal controls systems during the year. As an externally managed investment trust, the Company is reliant on the operational systems of its service providers. Therefore the Audit Committee examined the internal control reports of the Company's principal service providers. The Committee also reviewed the cyber security strategies adopted by each of the principal service providers and spoke with members of the Portfolio Manager's risk management and investment compliance teams to ensure their processes remain robust. There were no changes to the Company's risk management processes during the year and no significant failings or weaknesses were identified.

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 they portrayed a fair, balanced and understandable picture of the period in question.

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 fifth audit of the Company.

Peter Smith was the audit partner for the financial year under review and he has been the audit partner since BDO's appointment. Accordingly, this was Mr Smith's final audit as audit partner. A new audit partner will be appointed in due course.

THE AUDIT

The Committee reviewed BDO's audit plan on 2 November 2023. 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 13 May 2024 to discuss the progress of the audit and the draft Annual Report. The Committee then met BDO on 23 May 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, the Portfolio Manager, or any other third-party service provider. There were no material or significant adverse matters brought to the Committee's attention in respect of the 2024 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; and

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

In order to consider the effectiveness of the audit process, the Committee reviewed:

– 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; and

– feedback from BDO and Frostrow as the AIFM and Company Secretary.

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

REMUNERATION

The Committee approved a fee of £50,500 for the audit for the year ended 31 March 2024, excluding disbursements (2023: £49,500). This represents an increase of 2.0% compared with the previous year's fee.

NON-AUDIT SERVICES

BDO did not undertake any non-audit services during the year (2023: 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. 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 evaluation. The externally-facilitated 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 highlighted.

Julia Le Blan
Chair of the Audit Committee
4 June 2024

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 (please refer to the Business Review beginning on page 28 for more information). 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, having noted that there has been a period of high inflation and in order to bring the fees more in line with the Company's peers, it was agreed to apply a modest increase to each Director's fees with effect from 1 April 2024.

The table below shows the level of fees paid to Directors and the percentage increase from the prior year:

	Forecasted 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 +4.8%	£42,000 +5.0%	£40,000 –	£40,000 +8.1%	£37,000 –
Audit Committee Chair	£35,000 +4.2%	£33,600 +5.0%	£32,000 6.7%	£30,000 +5.3%	£28,500 –
Management Engagement Committee Chair	£33,000 +4.8%	£31,500 +5.0%	£30,000 –	£30,000 +5.3%	£28,500 –
Director	£30,000 +3.9%	£28,875 +5.0%	£27,500 –	£27,500 +5.8%	£26,000 –

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:

		Year ended 31 March 2024			Year ended 31 March 2023		
	Date of Appointment to the Board	Fees £	Taxable Benefits+ £	Total £	Fees £	Taxable Benefits+ £	Total £
Steve Bates	8 July 2015	31,500	–	31,500	30,000	–	30,000
Julia Le Blan	12 July 2016	33,600	–	33,600	32,000	–	32,000
Lord Willetts	11 November 2015	28,875	–	28,875	27,500	–	27,500
Dr Nicki Shepherd	18 January 2021	28,875	–	28,875	27,500	–	27,500
Roger Yates	1 December 2021	42,000	–	42,000	35,696	–	35,696
Andrew Joy^	15 March 2012	–	–	–	12,000	–	12,000
Hamish Baillie	1 November 2023	12,031	629	12,660	–	–	–
		176,881	629	177,510	164,696	–	164,696

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.

^ Andrew Joy retired from the Board on 19 July 2022.

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.

	2024 £'000	2023 £'000	Difference £'000
Fees payable to non-executive Directors	177	165	12
AIFM, portfolio management fees and other re-occurring expenses	3,836	4,223	(387)
Repurchase of Company's own shares for cancellation	43,584	22,619	20,965

DIRECTORS' REMUNERATION REPORT

At the Annual General Meeting held in July 2023, 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%	12,809

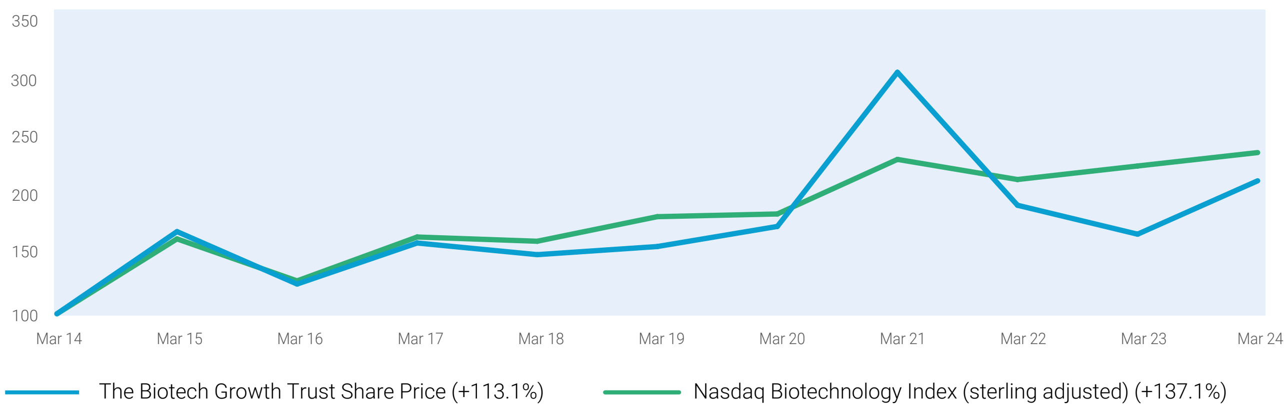
LOSS OF OFFICE

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 RETURN

The chart below compares the Company's share price total return with the Nasdaq Biotechnology Index (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 2024



Rebased to 100 as at 31 March 2014
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 2024	31 March 2023
Roger Yates (Chair)	15,000	10,000
Hamish Baillie	3,000	nil
Steve Bates	10,000	10,000
Julia Le Blan	7,000	7,000
Geoff Hsu	nil	nil
Dr Nicki Shepherd	2,000	nil
The Rt Hon Lord Willetts	nil	nil

None of the Directors were granted or exercised rights over shares during the year. None of the Directors is required to own shares in the Company.

Roger Yates
Chair

4 June 2024

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 2025 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 2024 and of its profit 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 2024 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 a summary of material accounting policies. 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 five years, covering the years ended 31 March 2020 to 31 March 2024. 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;
- Recalculating the liquidity of the investment portfolio, using our own independently obtained trading data, to verify the liquidity assumptions which underpinned the going concern assessment and comparing it to the liabilities and expenditure;
- Calculating and considering financial ratios, namely comparison of the investments balance to the current liabilities and expenditure, to ascertain the financial health of the Company; and
- Considering any other factors which could impact on going concern such as non-compliance with laws and regulation, legal matters and the presence of contingencies and commitments.

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	✓	✓
Materiality	Company financial statements as a whole £3,610,000 (2023: £3,290,000) based on 1% (2023: 1%) of Net assets		

1 In the financial statements for the year-ended 31 March 2023 we reported one key audit matter which related to the valuation and existence of investments, in the current year we have split the valuation of quoted and unquoted investments into two separate key audit matters as they have different risk profiles.

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. These matters were 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.

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

Key audit matter	How the scope of our audit addressed the key audit matter
Valuation and ownership of quoted investments Note 1(B) and 8	
We considered the valuation and ownership of quoted 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 entity. Given the significance of the quoted investments there is a risk that an error in their valuation could have a material impact on the financial statements. The quoted investment valuations are prepared by J.P. Morgan and the Alternative Investment Fund Manager (AIFM), Frostrow Capital LLP. The investment valuations are reviewed and approved by the Board. Notwithstanding this review, there is a potential risk of misstatement in the investment valuations. As quoted investments are Level 1 financial instruments, we do not consider this to be a highly subjective area. As quoted investments make up the majority of the balance sheet, it will be necessary to ensure that the Company has appropriate confirmation of title over investments. Due to the significance of this balance we consider this to be a key audit matter.	We have for 100% of the quoted portfolio: • Compared the year-end bid price used to externally quoted prices; • Confirmed that the foreign exchange rates used in the valuations were appropriate by corroborating these to independent sources; • Tested the computational accuracy by multiplying the number of shares held per the statement obtained independently from the custodian by the valuation per share; and • Assessed if there were contra indicators, such as liquidity considerations, to suggest bid price is not the most appropriate indication of fair value by considering the realisation period for individual holdings. We have corroborated ownership by reference to confirmations from the custodian, J.P. Morgan Securities LLC. *Key observations:* Based on our procedures performed we did not identify any matters to suggest the valuation and ownership of quoted investments was not appropriate.
Valuation of unquoted investments Note 1(A & B) and 8	
There is a high level of estimation uncertainty involved in determining the valuation of unquoted investments. The unquoted investment valuations are prepared by Kroll, an expert engaged by the Portfolio Manager, OrbiMed Capital LLC, and are reviewed and approved by the Board after review by, and on the recommendation of, the Valuation Committee. Notwithstanding this review, there is a potential risk of misstatement in the investment valuations through the manipulation of judgemental inputs and/or use of inappropriate valuation methodology. Due to the materiality of the balance in relation to the financial statements as a whole and judgement involvement, we consider this to be a key audit matter.	For a sample of unquoted investment, we have: • Considered whether the valuation methodology is the most appropriate in the circumstances under the International Private Equity and Venture Capital Valuation (IPEV) Guidelines; • Verified and benchmarked key inputs and estimates to independent information and our own research; • Recalculated the computational accuracy of the value attributable to the Company; • Considered the competence, capabilities and expertise of the management's expert through consideration of the qualifications held by the expert. We also considered the services provided by the firm employing the expert. We considered the independence and objectivity of the expert through reviewing the signed third-party access letter that was issued by the expert. We considered the appropriateness of the methodology and assumptions employed by the expert through review of the accounting framework and valuation guidelines followed; and • Where appropriate, we have stress-tested certain assumptions applied to assess the sensitivity of the valuation to these inputs with reference to materiality. We have corroborated ownership by reference to confirmations: • from the custodian, J.P. Morgan Securities LLC, and • from the investee companies. *Key observations:* Based on our procedures performed we did not identify any matters to suggest the valuation of unquoted 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	
	2024	*2023*
Materiality	£3,610,000	£3,290,000
Basis for determining materiality	1% of Net assets	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.	As an investment trust, the net asset value is the key measure of performance for users of the financial statements.
Performance materiality	£2,707,000	£2,460,000
Basis for determining performance materiality	75% of materiality	75% of materiality
Rationale for the percentage applied for performance materiality	The level of performance materiality applied 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.	The level of performance materiality applied 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 £180,500 (2023: £164,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

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

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 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; and
- The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate.

Other Code provisions

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

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, 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.

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.

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

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 the AIFM 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 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 the AIFM and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- Review of a sample of legal invoices to look for potential non-compliance with laws and regulations or undisclosed contingencies and commitments;
- Reviewing 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 statement to material misstatement including fraud.

Our risk assessment procedures included:

- Enquiry with the AIFM and those charged with governance regarding any known or suspected instances of fraud;
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Obtaining an understanding of the Company's policies and procedures relating to:
  - o Detecting and responding to the risks of fraud; and
  - o Internal controls established to mitigate risks related to fraud; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

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

Our procedures in respect of the above included:

- The procedures set out in the Key Audit Matter section above relating to unquoted investments;
- In addressing the risk of management override of control, we:
  - o Performed a review of estimates and judgements applied by management in the financial statements to assess their appropriateness and the existence of any systematic bias;
  - o Considered the opportunity and incentive to manipulate accounting entries and assessed the reasonability of relevant adjustments made in the period end financial reporting process;
  - o Reviewed for significant transactions outside the normal course of business; and

- o 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.

Peter Smith (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
London, UK

4 June 2024

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

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Income	2	1,203	–	1,203	310	–	310
Gains/(losses) on investments held at fair value through profit or loss	8	–	79,143	79,143	–	(32,727)	(32,727)
Foreign exchange losses		–	(621)	(621)	–	(3,759)	(3,759)
AIFM, Portfolio management and performance fees	3	(153)	(2,917)	(3,070)	(176)	(3,355)	(3,531)
Other expenses	4	(742)	(39)	(781)	(692)	(51)	(743)
Profit/(loss) before finance costs and taxation		308	75,566	75,874	(558)	(39,892)	(40,450)
Finance costs	5	(56)	(1,059)	(1,115)	(40)	(752)	(792)
Profit/(loss) before taxation		252	74,507	74,759	(598)	(40,644)	(41,242)
Taxation	6	(159)	–	(159)	(56)	–	(56)
Profit/(loss) for the year		93	74,507	74,600	(654)	(40,644)	(41,298)
Basic and diluted earnings/(loss) per share	7	0.3p	206.7p	207.0p	(1.6)p	(100.9)p	(102.5)p

The Company does not have any income or expenses which are not included in the profit/(loss) for the year. Accordingly the "profit/(loss) for the year" is also the "total comprehensive profit/(loss) 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 80 to page 98 are an integral part of this statement.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Notes	2024 £'000	2023 £'000
Non current assets			
Investments held at fair value through profit or loss	8	394,712	357,229
Derivative – OTC equity swaps	8, 9	42	–
		394,754	357,229
Current assets			
Other receivables	10	14,535	508
Cash and cash equivalents		2,131	2,772
		16,666	3,280
Total assets		411,420	360,509
Current liabilities			
Other payables	11	2,575	8,846
Loan	14	47,078	20,170
Derivative – OTC equity swaps	8, 9	460	1,202
		50,113	30,218
Net assets		361,307	330,291
Equity attributable to equity holders			
Ordinary share capital	12	8,371	9,684
Share premium account		79,951	79,951
Capital redemption reserve		15,059	13,746
Capital reserve	16	258,891	227,968
Revenue reserve		(965)	(1,058)
Total equity		361,307	330,291
Net asset value per share	13	1,078.9p	852.6p

The financial statements on pages 76 to 98 were approved by the Board on 4 June 2024 and were signed on its behalf by:

Roger Yates
Chair

The accompanying notes from page 80 to page 98 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 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	12, 13	8,371	79,951	15,059	258,891	(965)	361,307

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Ordinary Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 1 April 2022		10,289	79,951	13,141	291,231	(404)	394,208
Net loss for the year		–	–	–	(40,644)	(654)	(41,298)
Repurchase of own shares for cancellation		(605)	–	605	(22,619)	–	(22,619)
At 31 March 2023	12, 13	9,684	79,951	13,746	227,968	(1,058)	330,291

The accompanying notes from page 80 to page 98 are an integral part of this statement.

See note 16 on page 98 for details of the amounts of reserves available for distribution.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £'000	2023 £'000
Operating activities			
Profit/(loss) before taxation*		74,759	(41,242)
Finance costs		1,115	792
(Gains)/losses on investments held at fair value through profit or loss	8	(80,669)	30,945
Foreign exchange losses		621	3,759
Decrease/(increase) in other receivables		(6)	28
Increase/(decrease) in other payables		98	(116)
Taxation paid	6	(159)	(56)
Net cash outflow from operating activities		(4,241)	(5,890)
Investing activities			
Purchases of investments and derivatives		(350,835)	(459,606)
Sales of investments and derivatives		373,176	505,300
Net cash inflow from investing activities		22,341	45,694
Financing activities			
Repurchase of own shares for cancellation		(43,913)	(20,910)
Finance costs – interest paid		(1,115)	(792)
Drawdown/(repayment) of the loan facility		26,287	(15,330)
Net cash outflow from financing activities		(18,741)	(37,032)
Net (decrease)/increase in cash and cash equivalents		(641)	2,772
Cash and cash equivalents at start of year		2,772	–
Cash and cash equivalents at end of year†		2,131	2,772

* Includes dividends earned during the year of £1,080,000 (2023: £283,000) and deposit interest of £123,000 (2023: £11,000).
† Collateral cash held at Goldman Sachs £2,131,000 (2023: £2,772,000).

CHANGES IN NET DEBT ARISING FROM FINANCING ACTIVITIES

	2024 £'000	2023 £'000
Balance as at 1 April	20,170	31,741
Drawdown/(repayment) of the loan facility	26,287	(15,330)
Foreign exchange losses	621	3,759
Loan balance at 31 March	47,078	20,170

The accompanying notes from page 80 to page 98 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 principal 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.

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 IFRS Practical Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of "material", rather than "significant" accounting policies. Management received the accounting policies and made updates to the information disclosed in note 1.

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 for at least 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 and decreases in current market liquidity of up to 50%.

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.

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 for at least 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 estimate:

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 2023, as permitted under the IPEV guidelines. The Statement of Partner's Capital Activity as at 31 March 2024 was received in May 2024 and was not materially different from the valuation at 31 December 2023. The Consolidated Financial Statements of the partnership for the year ended 31 December 2023 were audited by KPMG LLP (New Jersey Headquarters) and were approved on 29 March 2024.

1. ACCOUNTING POLICIES continued

The investments in Stemirna Therapeutics and XtalPi have been valued by Kroll, an independent valuer, using the probability – weighted expected returns methodology (PWERM). The valuations have been approved by the Board on the recommendation of the Valuation Committee. Under the PWERM, fair value is determined through consideration of the values of the investment under a range of scenarios. These scenarios range from the "no recovery" to "full recovery" of the amount invested, through to a number of IPO or similar exit 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. Examples of the inputs into the valuation models are:

– The probability assigned to potential future outcomes;

– Likely exit scenarios; and

– The discount rate used to calculate the present value of future outcomes.

The investments in Gracell Biotechnologies Contingent Value Rights (CVR) and Lexicon series A convertible preference stock (Lexicon) have also been valued by Kroll. Gracell's CVRs have been valued using the PWERM and Lexicon using the price of the recent funding, discounted for the lack of marketability.

(B) INVESTMENTS

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

As the entity'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 entity 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. 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1. ACCOUNTING POLICIES continued

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.

(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.

1. ACCOUNTING POLICIES continued

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.

(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 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) LOAN

The Company has a loan facility repayable on demand, provided by J.P. Morgan Securities LLC (J.P. Morgan). 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. Such assets taken as collateral by J.P. Morgan may be used, loaned, sold, rehypothecated† or transferred. Any of the Company's assets taken as collateral are not covered by the custody arrangements provided by J.P. Morgan. Loans payable on demand are carried at the undiscounted amount of the cash or other consideration expected to be paid. Interest on the facility is charged at the U.S. overnight bank funding rate plus 45 basis points. Finance costs are apportioned 95% to capital in accordance with the policy set out under note 1(e) expenses and finance costs beginning on page 82.

† See glossary beginning on page 100.

(J) 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 investments business. The results published in this report therefore correspond to this sole operating segment.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1. ACCOUNTING POLICIES continued

(K) 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.

(L) ADOPTION OF NEW AND REVISED STANDARDS

Standards and amendments to existing standards effective 1 January 2023

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing 1 April 2023:

- Disclosure of Accounting Policies – Amendments to IAS 1 *Presentation of Financial Statements and IFRS Practice Statement 2*; and
- Definition of Accounting Estimates – Amendments to IAS 8.

These amendments did not have any impact on the amounts recognised in both current and prior years.

New standards, amendments and interpretations effective after 1 January 2024 which have not been early adopted

The below new amendment and interpretations will become effective for annual periods beginning after 1 January 2024:

- Classification of Liabilities as Current or Non-Current – Amendments to IAS 1 *Presentation of Financial Statements*.

This amendment is not expected to have a material effect on the financial statements of the Company.

2. INCOME

	2024 £'000	2023 £'000
Investment income		
Overseas dividend income	1,080	283
Other income		
Derivatives	–	16
Deposit interest	123	11
Total income	**1,203**	**310**

3. AIFM, PORTFOLIO MANAGEMENT AND PERFORMANCE FEES

	Revenue £'000	Capital £'000	2024 Total £'000	Revenue £'000	Capital £'000	2023 Total £'000
AIFM fee – Frostrow Capital LLP	47	886	933	53	1,010	1,063
Portfolio management fee – OrbiMed Capital LLC	106	2,031	2,137	123	2,345	2,468
	153	2,917	3,070	176	3,355	3,531

During the financial year ended 31 March 2024, in accordance with the performance fee arrangements in place, no performance fee was earned (2023: nil).

As at 31 March 2024, no performance fees were accrued or payable (31 March 2023: £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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4. OTHER EXPENSES

	2024 Total £'000	2023 Total £'000
Directors' emoluments	177	165
Fees payable to the Company's auditor for the audit of the Company's financial statements	52	50
Registrar fees	36	35
Depositary fees	48	58
Marketing and PR costs	71	68
Legal and professional fees^	61	51
Broker fees	43	39
Listing fees	39	37
Printing costs	33	32
Other costs	182	157
Total expenses charged to Revenue	**742**	**692**
Professional fees charged to Capital*	39	51
Total expenses	**781**	**743**

^ 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

	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Loan interest	56	1059	1,115	40	752	792
	56	1,059	1,115	40	752	792

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% (2023: 19%). The differences are explained below:

	Revenue £'000	Capital £'000	2024 Total £'000	Revenue £'000	Capital £'000	2023 Total £'000
Net profit/(loss) before taxation	252	74,507	74,759	(598)	(40,644)	(41,242)
Corporation tax at 25% (2023: 19%)	63	18,627	18,690	(114)	(7,722)	(7,836)
Effects of:						
Non-taxable (gains)/losses on investments	–	(19,631)	(19,631)	–	6,932	6,932
Non-taxable overseas dividends	(270)	–	(270)	(54)	–	(54)
Overseas tax suffered	159	–	159	39	–	39
Expenses charged to capital available to be utilised	(14)	–	(14)	–	–	–
Excess expenses unused	221	1,004	1,225	168	790	958
Corporation tax charge	–	–	–	17	–	17
Total taxation for the year (see note 6(b))	**159**	**–**	**159**	**56**	**–**	**56**

(B) ANALYSIS OF CHARGE IN THE YEAR:

	Revenue £'000	Capital £'000	2024 Total £'000	Revenue £'000	Capital £'000	2023 Total £'000
Overseas tax suffered	159	–	159	39	–	39
Corporation tax charge†	–	–	–	17	–	17
Total taxation for the year	**159**	**–**	**159**	**56**	**–**	**56**

† Corporation tax was paid during the financial year ended 31 March 2023 due to the large performance fee reversed in 2022 which was captured by the corporate loss restrictions rules.

(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 2024, the Company had unutilised management expenses and other losses of £88,442,000 (2023: £83,627,000) that are available to offset future taxable revenue.

A deferred tax asset of £22,111,000 (25% tax rate) (2023: £20,907,000 (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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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

	2024 Revenue pence	2024 Capital pence	2024 Total pence	2023 Revenue pence	2023 Capital pence	2023 Total pence
Earnings/(loss)/per share	0.3p	206.7p	207.0p	(1.6)	(100.9)p	(102.5)p

The total earnings per share of 207.0p (2023: loss of 102.5p) is based on the total earnings attributable to equity shareholders of £74,600,000 (2023: loss £41,298,000).

The revenue profit per share 0.3p (2023: loss of 1.6p) is based on the revenue profit attributable to equity shareholders of £93,000 (2023: loss of £654,000). The capital profit per share of 206.7p (2023: loss of 100.9p) is based on the capital profit attributable to equity shareholders of £74,507,000 (2023: loss of £40,644,000).

The total profit per share is based on the weighted average number of shares in issue during the year of 36,041,496 (2023: 40,287,724).

There are no dilutive instruments issued by the Company (2023: none).

8. INVESTMENTS

As at 31 March 2024, 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 14 beginning on page 90 for further details.

	2024 Quoted Investments £'000	2024 Unquoted £'000	2024 Derivative Financial Instruments – Net £'000	2024 Total £'000	2023 Quoted Investments £'000	2023 Unquoted £'000	2023 Derivative Financial Instruments – Net £'000	2023 Total £'000
Opening book cost	392,482	14,341	–	406,823	512,894	22,943	–	535,837
Opening investment holding (losses)/gains	(55,520)	5,926	(1,202)	(50,796)	(119,725)	11,287	–	(108,438)
Valuation at 1 April	336,962	20,267	(1,202)	356,027	393,169	34,230	–	427,399
Movement in the year	–	–		–				
Purchases at cost	342,843	1,952	–	344,795	465,360	–	–	465,360
Sales proceeds	(388,521)	(71)	1,395*	(387,197)	(505,787)	–	–	(505,787)
Transfer between levels	–	–	–	–	9,887	(9,887)	–	–
Net movement in investment holding gains/(losses)	88,290	(7,010)	(611)	80,669	(25,667)	(4,076)	(1,202)	(30,945)
Valuation at 31 March	379,574	15,138	(418)	394,294	336,962	20,267	(1,202)	356,027
Closing book cost at 31 March	354,597	16,268	–	370,865	392,482	14,341	–	406,823
Investment holding gains/(losses) at 31 March	24,977	(1,130)	(418)	23,429	(55,520)	5,926	(1,202)	(50,796)
Valuation at 31 March	379,574	15,138	(418)	394,294	336,962	20,267	(1,202)	356,027

The sales proceeds of £387,197,000 (2023: £505,787,000) includes transaction costs of £814,000 (2023: £991,000). The book cost of these investments when they were purchased was £380,753,000 (2023: £594,374,000).

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.

* Sale of financed equity swap.

8. INVESTMENTS continued

GAINS/(LOSSES) ON INVESTMENTS

	2024 £'000	2023 £'000
Gains/(losses) on investments	80,669	(30,945)
Transaction costs	(1,526)	(1,782)
Gains/(losses) on investments held at fair value through profit or loss	79,143	(32,727)

The total transaction costs for the year were £1,526,000 (31 March 2023: £1,782,000) broken down as follows: purchase transaction costs for the year to 31 March 2024 were £712,000 (31 March 2023 £791,000), sale transaction costs were £814,000 (31 March 2023: £991,000). These costs consist mainly of commission. Transaction costs are recorded in the capital column of the Income Statement.

9. DERIVATIVE FINANCIAL INSTRUMENTS

	2024 £'000	2023 £'000
Fair value of OTC equity swaps (assets)	42	–
Fair value of OTC equity swaps (liabilities)	(460)	(1,202)
	(418)	(1,202)

(See note 1(k) on page 84 for further details).

10. OTHER RECEIVABLES

	2024 £'000	2023 £'000
Future settlements – sales	14,508	487
Prepayments and accrued income	27	21
	14,535	508

11. OTHER PAYABLES

	2024 £'000	2023 £'000
Future settlements – purchases	167	6,206
Amounts due to brokers in respect of shares repurchased by the Company for cancellation	1,379	1,695
Other creditors and accruals	1,029	945
	2,575	8,846

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

12. ORDINARY SHARE CAPITAL

	2024 Number of Shares	2023 Number of Shares
Allotted, issued and fully paid at 1 April 2023	38,737,419	41,158,682
Shares bought back for cancellation during the year	(5,250,221)	(2,421,263)
At 31 March 2024	33,487,198	38,737,419

	2024 £'000	2023 £'000
Allotted, issued and fully paid shares of 25p	8,371	9,684

During the year no new ordinary shares were issued (2023: nil). 5,250,221 shares were bought back for cancellation for a consideration of £43,584,000 (2023: 2,421,263 shares were bought back for a consideration of £22,619,000).

13. NET ASSET VALUE PER SHARE

	2024	2023
Net asset value per share	1,078.9p	852.6p

The net asset value per share is based on the net assets attributable to equity shareholders of £361,307,000 (2023: £330,291,000) and on 33,487,198 (2023: 38,737,419) shares in issue at 31 March 2024.

14. 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 28 and 29.. 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. During the year the Company entered into an OTC equity swap contracts related to Brightgene Bio-Medical, Mabwell Shanghai Bioscience and Shanghai Runda Medical, with Goldman Sachs as the counterparty. See glossary beginning on page 100 for further details.

14. RISK MANAGEMENT POLICIES AND PROCEDURES continued

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.

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 7 and 8.

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 £379,359,000 (2023: £345,049,000) of investments denominated in U.S. dollars and £14,935,000 (2023: £10,978,000) 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 2024 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.

	2024 £'000	2023 £'000
Sterling equivalent of U.S.$ and other non-sterling exposure		
Current assets	16,640	3,257
Creditors	(167)	(6,206)
Spot currency contracts	(1,406)	(1,692)
Loan (non-sterling)	(47,063)	(20,167)
Foreign currency exposure on net monetary items	(31,996)	(24,808)
Investments held at fair value through profit or loss including derivative equity swap	394,294	356,027
Total net foreign currency exposure	362,298	331,219

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 (2023: 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

14. 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:

	2024 £'000	2023 £'000
Impact on revenue return	–	–
Impact on capital return	46,816	43,302
Total return after tax/effect on shareholders' funds	46,816	43,302

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

	2024 £'000	2023 £'000
Impact on revenue return	–	–
Impact on capital return	(26,943)	(24,220)
Total return after tax/effect on shareholders' funds	(26,943)	(24,220)

(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:

	Fixed rate 2024 £'000	Floating rate 2024 £'000	Floating rate 2023 £'000
Loan facility with J.P. Morgan Securities LLC	–	47,078	20,170
Gross exposure on OTC equity swaps	–	6,308	6,224
Total liabilities subject to interest rate risk	–	53,386	26,394
Less cash held at Goldman Sachs	–	2,131	2,772
Total net liabilities subject to interest rate risk	–	51,255	23,622

Management of the risk

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

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 risk as at 31 March 2024 was £51,256,000 (2023: £23,622,000). If the rate increased by 1%, the impact on the profit or loss and net assets would be expected to be £513,000 (2023: £236,000).

14. RISK MANAGEMENT POLICIES AND PROCEDURES continued

(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 (2023: 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 2024 would have increased/decreased by £78,110,000 (2023: £71,762,000), 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	2024 Net Fair Value £'000	Assets £'000	Liabilities £'000	2023 Net Fair Value £'000
Investments	394,712	–	394,712	357,229	–	357,229
OTC equity swaps	42	(460)	(418)	–	(1,202)	(1,202)
	394,754	(460)	394,294	357,229	(1,202)	356,027

The notional exposure of the OTC equity swaps calculated in accordance with AIFMD requirements, is £5,890,000 (2023: £5,022,000) 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 £72,261,000 at the year end.

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.

Liquidity exposure and maturity

Contractual maturities of the financial liabilities as at 31 March 2024, based on the earliest date on which payment can be required, are as follows:

	2024 3 months or less £'000	2024 3 to 12 months £'000	2023 3 months or less £'000	2023 3 to 12 months £'000
Loan facility (repayable on demand)	47,078	–	20,170	–
Future settlements	167	–	6,206	–
Derivative – OTC equity swaps	–	460	–	1,202
Other creditors and accruals	2,408	–	2,640	–
	49,653	460	29,016	1,202

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

14. RISK MANAGEMENT POLICIES AND PROCEDURES continued

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 2024, the maximum value of assets available for rehypothecation was £65,909,000 being 140% of the loan balance of £47,078,000 (31 March 2023: £28,238,000 being 140% of the loan balance of £20,170,000).

See page 35 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 2024 the Company's exposure to credit risk amounted to £16,639,000 and was in respect of amounts due from brokers in relation to future settlements and cash held as collateral (2023: £3,260,000).

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 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

14. RISK MANAGEMENT POLICIES AND PROCEDURES continued

As at 31 March 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets	336,962	–	20,267	357,229
Financial investments held at fair value through profit or loss	–	(1,202)	–	(1,202)
	336,962	(1,202)	20,267	356,027

As at 31 March 2024, the investments 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 2023, as permitted under the IPEV guidelines. The Statement of Partner's Capital Activity as at 31 March 2024 was received in May 2024 and was not materially different from the valuation at 31 December 2023. If the value of the 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 2024 would have increased/decreased by £112,000 (2023: £216,000).

The following two investments have been valued by the Board, following recommendations received from the Valuation Committee which has reviewed in detail both the valuation and the methodologies provided by Kroll, an independent valuer. Stemirna and XtalPi have been valued using the probability-weighted expected returns methodology (PWERM) and are classified as Level 3.

These Level 3 investments include assumptions based on non-observable market data such as:

(i) the probability of certain scenarios;

(ii) the expected time to the date of sale or realisation opportunity; and

(iii) discount rates.

Stemirna

As at 31 March 2024, the PWERM was used. Under the PWERM, the fair value was mainly determined based on consideration of the values for the company under different scenarios. As highlighted in the Portfolio Manager's Review on page 15, this investment was written down to reflect a change in the company's outlook. As a result, the following scenarios were used to value the Company:

(i) No recovery – probability 10%

(ii) Restructuring scenario 1, where the proposed financing closes as expected, with no additional shares issued – probability 70%

(iii) Restructuring scenario 2, where the proposed financing closes as expected with a proportion of additional shares – probability 20%

If the probabilities of scenario were to change by 10%, while all other variables remain constant, the return to shareholders would have increased/decreased by £22,000 (2023: £515,000).

XtalPi

As at 31 March 2024, the PWERM was also used. The scenarios used for this investment were as follows:

(i) Partial Recovery – probability 2.5%

(ii) Full Recovery Scenario – probability 2.5%

(iii) IPO Scenario 1 (30/6/2024) – probability-37.5%

(iv) IPO Scenario 2 (30/9/2024) – probability-37.5%

(v) IPO Scenario 3 (30/9/2024) – probability-20.0%

If the probabilities of scenario were to change by 10%, while all other variables remain constant, the return to shareholders would have increased/decreased by £1,162,000 (2023: £1,271,000).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

14. RISK MANAGEMENT POLICIES AND PROCEDURES continued

The tables below set out the range of inputs applied in arriving at the fair value of the Level 3 investments valued by Kroll.

Probability of Scenario – (Stemirna and XtalPi)

The probability assigned to certain scenarios is determined by the independent valuer following consultation with the Portfolio Manager. The probability assigned to any scenario reflects a number of factors including the operating performance and prospects of the investee company and market receptivity for IPOs or other realisation routes.

2024	**Probability of scenario**	**2.5%-70%**
	Weighted average probability of scenario	**36.25%**
2023	Probability of scenario	5%-35%
	Weighted average probability of scenario	20%

Expected time to date of sale or realisation opportunity (XtalPi)

The expected time to a sale or realisation opportunity is determined by the independent valuer following consultation with the Portfolio Manager and reflects a number of factors including the operating performance and prospects of the investee company and the current and expected market receptivity for IPOs and other realisation routes.

2024	**Expected time to sale or realisation opportunity**	**0.2 years - 0.8 years**
	Weighted average expected time to sale or realisation opportunity	**0.5 years**
2023	Expected time to sale or realisation opportunity	1-2.5 years
	Weighted average expected time to sale or realisation opportunity	1.75 years

If the expected average time to date of sale or realisation was extended by three months, while all other variables remain constant, the return to shareholders would have decreased by £544,000 (2023: £656,000).

Discount rate (XtalPi)

The discount rates assigned to certain scenarios are determined by the independent valuer using market surveys of discount rates used in a range of private equity and unquoted investment transactions.

2024	**Discount rate**	**23.5%**
	Discount rate weighted average	**23.5%**
2023	Discount rate	22.5%
	Discount rate weighted average	22.5%

If the discount rate was to increase by 5%, while all other variables remain constant, the return to shareholders would have decreased by £159,000 (2023: £382,000).

The valuations of Gracell Biotechnologies CVR and Lexicon Series A Convertible Preferred Stock (Lexicon) as at 31 March 2024, which were produced by Kroll, have been approved by the Board on the recommendation of the Valuations Committee. The Gracell CVR was valued using the PWERM and Lexicon was valued using the price of the most recent funding round, with a discount applied to reflect their lack of marketability.

14. 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.

	2024 £'000	2023 £'000
Assets		
As at 1 April	20,267	33,927
Purchase of unquoted investments	1,952	–
Repayment of capital – unquoted investment	(71)	–
Net movement in investment holding gains during the year	(7,010)	(3,773)
Transfer from level 3 to level 1	–	(9,887)*
Assets as at 31 March	15,138	20,267

* Yisheng Biopharma and Summit Healthcare Acquisition Corp. entered into a definitive agreement for a business combination and upon closing of the transaction in March 2023, the combined company was renamed as YS Biopharma Co. Ltd and became a publicly traded company on the Nasdaq.

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.

As at 31 March 2024 the Company's gearing ratio was 9.1% (2023: 7.8%).

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 77.

Shares may be repurchased by the Company as explained on pages 30 and 31.

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

As at 31 March 2024, the maximum value of assets available for rehypothecation was £65,909,000, being 140% of the loan balance of £47,078,000 (31 March 2023: £28,238,000 being 140% of the loan balance of £20,170,000).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

15. 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

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 85. All material related party transactions have been disclosed in notes 3 and 4 on page 85 and 86.

The Company holds an interest in OrbiMed Asia Partners Fund which equates to 0.3% of the investments held at 31 March 2024. Further details can be found on page 80.

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 85.

16. CAPITAL RESERVE

	2024			2023		
	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	278,564	(50,596)	227,968	399,416	(108,185)	291,231
Net gains/(losses) on investments	5,014	74,129	79,143	(90,316)	57,589	(32,727)
Foreign exchange losses	(621)	–	(621)	(3,759)	–	(3,759)
Expenses charged to capital	(4,015)	–	(4,015)	(4,158)	–	(4,158)
Repurchase of own shares for cancellation	(43,584)	–	(43,584)	(22,619)	–	(22,619)
At 31 March	235,358	23,533	258,891	278,564	(50,596)	227,968

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.

17. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

As at 31 March 2024 there were no contingent liabilities or capital commitments for the Company (2023: nil).

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, 18 July 2024 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 under 'Investment Companies'. The price is given daily in the Financial Times and other newspapers.

CHANGE OF ADDRESS

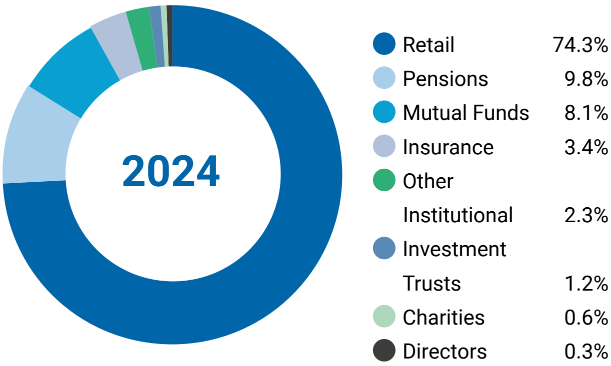
Communications with shareholders are mailed to the address held on the share register. In the event of a change of address or other amendment this should be notified to the Company's Registrars, Link Group, under the signature of the registered holder.

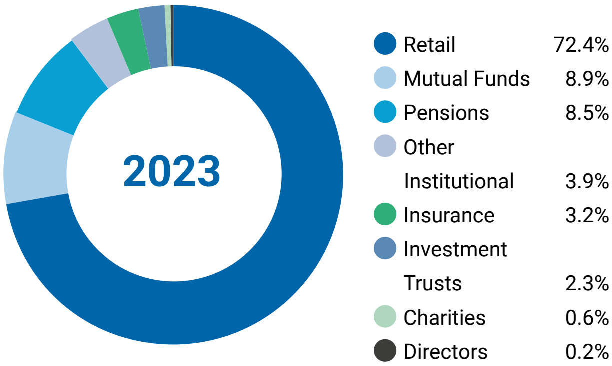
DAILY NET ASSET VALUE

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.

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 2024 (pence)	As at 31 March 2023 (pence)
Share price	1 & 6	995 .0	783.0
Net asset value per share (see note 13 on page 90 for further information)	1 & 6	1,078.9	852.6
Discount of share price to net asset value per share	1 & 6	7.8%	8.2%

^ Alternative Performance Measure

GEARING^

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

	pages	31 March 2024 £'000	31 March 2023 £'000
Loan	77	47,078	20,170
Net current (assets)/liabilities (excluding loan and derivatives)*	–	(14,091)	5,566
		32,987	25,736
Net assets	74	361,307	330,291
Gearing	6	9.1%	7.8%

* Current liabilities less current assets

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.

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 2024	110.5%	109.7%

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.

* See glossary definition on page 102.

^ Alternative Performance Measure

GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES CONTINUED

NET ASSET VALUE PER SHARE TOTAL RETURN^

The net asset value per share return for the year ended 31 March 2024 is calculated by taking the percentage movement from the net asset value per share as at 31 March 2023 of 852.6p (2022: 957.8p) to the net asset value per share at 31 March 2024 of 1,078.9p (2023: 852.6p). The Company has not paid any dividends to shareholders in respect of the above mentioned years (see pages 1 and 6).

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 2024 £'000	31 March 2023 £'000
AIFM & portfolio management fees (note 3)	85	3,070	3,531
Other re-occurring expenses (note 4)	86	742	692
Total ongoing charges		**3,812**	**4,223**
Average daily net assets for the year		323,811	394,525
Ongoing charges	1 & 6	1.2%	1.1%

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 collateral posted as security for loans as regulated by the U.S. Securities Exchange Commission.

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 share price total return represents the theoretical return to a shareholder, on a closing market price basis. The share price total return is calculated by taking the percentage movement from the share price as at 31 March 2023 of 783.0p (2022: 898.0p) to the share price as at 31 March 2024 of 995.0p (2023: 783.0p). The Company has not paid dividends to shareholders in respect of the above mentioned years.

See pages 1 and 6 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.

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, 18 July 2024 at 12 noon, for the following purposes:

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass the following as ordinary resolutions:

1. To receive the audited financial statements and the Report of the Directors for the year ended 31 March 2024.
2. To approve the Directors' Remuneration Report for the year ended 31 March 2024.
3. To 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 Julia Le Blan as a Director of the Company.
6. To re-elect Dr Nicki Shepherd as a Director of the Company.
7. To re-elect The Rt Hon Lord Willetts as a Director of the Company.
8. To re-elect Roger Yates as a Director of the Company.
9. 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

10. 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 £829,929.75 (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 3,319,719 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 2025 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.

SPECIAL RESOLUTIONS

To consider and, if thought fit, pass the following resolutions as special resolutions:

DISAPPLICATION OF PRE-EMPTION RIGHTS

11. 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 10 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,

NOTICE OF THE ANNUAL GENERAL MEETING CONTINUED

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

(b) (otherwise than pursuant to sub-paragraph (a) above) up to an aggregate nominal value of £829,929.75 (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 2025 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

12. 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 2025 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.

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.

By order of the Board

Frostrow Capital LLP
Company Secretary

4 June 2024

Registered office:
One Wood Street
London EC2V 7WS

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: logging onto www.signalshares.com and following instructions; requesting a hard copy form of proxy directly from the registrars, Link Group at shareholderenquiries@linkgroup.co.uk 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 Link Group, PXS1, Central Square, 29 Wellington Street, Leeds LS1 4DL no later than 12 noon on 16 July 2024.
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 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 16 July 2024 (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 4 June 2024 (being the last business day prior to the publication of this notice) the Company's issued share capital consists of 33,197,198 ordinary shares, carrying one vote each (and no shares were held in Treasury). Therefore, the total voting rights in the Company as at 4 June 2024 are 33,197,198.
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 (CRESTCo), 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 CRESTCo 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 16 July 2024 in order to be considered valid or, in the event of any adjournment, close of business on the date which is two working days 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 Link Group 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 Link Group, PXS1, 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 2024 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 8 – Election and Re-election of Directors

Resolutions 3 to 8 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 9 – Re-appointment of Auditor

Resolution 9 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 10 and 11 – Issue of Shares

Ordinary Resolution 10 in the Notice of Annual General Meeting will renew the authority to allot the unissued share capital up to an aggregate nominal amount of £829,929.75 (equivalent to 3,319,719 shares, or 10% of the Company's existing issued share capital on 4 June 2024 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 11 will, if passed, give the Directors power to allot for cash equity securities up to 10% of the Company's existing share capital on 4 June 2024 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 10. 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 10 and 11 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 12 – Share Repurchases

The Directors wish to renew the authority given by shareholders at the Annual General Meeting held in July 2023. 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 12 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 4,976,259 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 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.

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 37,000 shares.

COMPANY INFORMATION

DIRECTORS

Roger Yates[1]
Hamish Baillie
Steve Bates[2]
Julia Le Blan[3]
Geoff Hsu
Dr Nicki Shepherd
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

OrbiMed Capital LLC
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Telephone: +1 212 739 6400
Website: www.orbimed.com
Registered under the U.S. Securities and Exchange Commission.

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CUSTODIAN AND PRIME BROKER

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USA

REGISTRAR

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Telephone (from overseas): + 44 371 664 0300†
Shareholder Portal: www.signalshares.com
Website: www.linkgroup.eu
Please contact the Registrars if you have a query about a certificated holding in the Company's shares.

STOCK BROKER

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London EC4R 3GA

SOLICITORS

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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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Copies of this Annual Report and other documents issued by the Company are available from the Company Secretary. If needed, copies can be made available in a variety of formats, including Braille, audio tape or larger type as appropriate. You can contact the Registrar to the Company, Link Group, which has installed telephones to allow speech and hearing impaired people who have their own telephone to contact them directly, without the need for an intermediate operator, for this service please call 0800 731 1888. Specially trained operators are available during normal business hours to answer queries via this service. Alternatively, if you prefer to go through a 'typetalk' operator (provided by the RNID) you should dial 18001 followed by the number you wish to dial.