BioPharma Credit PLC

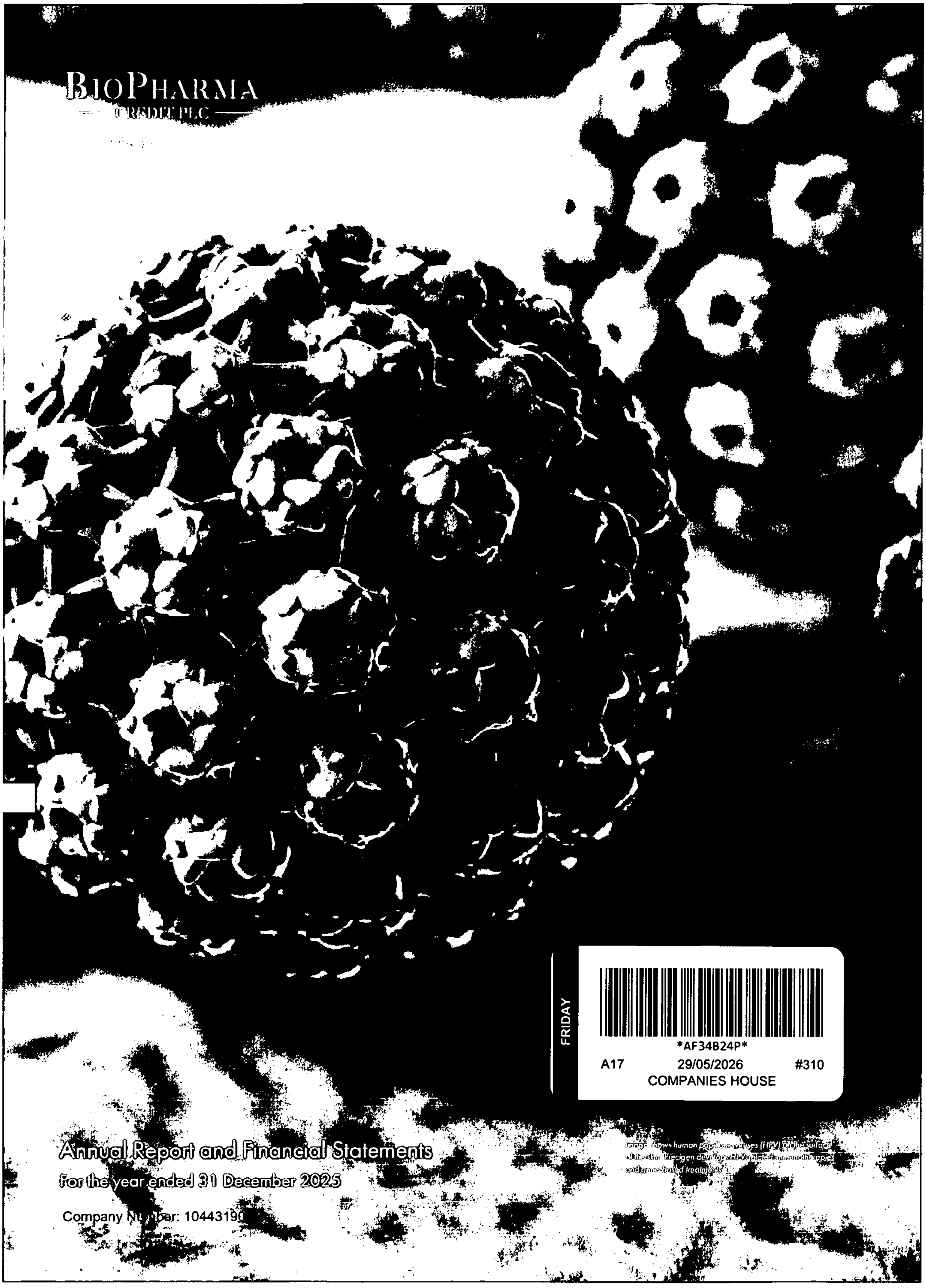

Image shows human papillomaviruses (HPV) on the surface of the skin. Precigen develops HPV-related immunotherapies and gene-based treatments.

Annual Report and Financial Statements

For the year ended 31 December 2025

Company Number: 10443190

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COMPANIES HOUSE

BioPharma Credit PLC

BioPharma Credit PLC provides investors with the opportunity to gain exposure to the fast-growing life sciences industry.

Our diversified portfolio is primarily secured by approved life sciences products and the cash flows derived from their sales.

STRATEGIC REPORT

GOVERNANCE

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

Performance Highlights
As at 31 December 2025

This section includes Alternative Performance Measures (APMs). Refer to the glossary on page 99. Past performance is not an indication of future performance.

$0.9160

Share price ($):
(31 December 2024: $0.8840)

1,129.2m

Ordinary shares in issue with voting rights (m):
(31 December 2024: 1,186.0m)

¢11.40

Net income per share ($):
(31 December 2024: ¢9.99)

244.7m

Shares in treasury:
(31 December 2024: 187.9m)

$1.0192

NAV per share ($):
(31 December 2024: $0.9963)

1,373.9m

Shares issued (m):
(31 December 2024: 1,373.9m)

10.1%

Discount to NAV per share (%):
(31 December 2024: 11.3%)

$1,150.9m

Net assets ($m):
(31 December 2024: $1,181.7m)

¢9.95[1]

Dividend declared (Cents)
(31 December 2024: ¢10.18)

10.9%

Dividend yield (%)
(31 December 2024: 11.5%)

1 Payments over the calendar year, relating to 2025, totaling 6.75 cents per share, referencing net income for the three quarters ending 30 September 2024. Following the end of the year, the Company declared a further dividend in respect of the last quarter of 2025 of 3.20 cents per share that was paid on 20 March 2026. Past performance is not an indication of future performance.

At a Glance

Our primary objective is to continue to generate predictable income for shareholders, through investments in debt assets primarily secured by cash flows, including royalties, derived from the sale of approved life sciences products.

BioPharma Credit PLC (the "Company") holds a majority of its investments through its financing subsidiary, BPCR Limited Partnership.

2025 NEW INVESTMENTS AND PURCHASES

	Invested in 2025 $M	Investment Date	Funded in 2025 $M	Refinanced in 2025 $M
Alphatec senior unsecured convertible notes	15.0	07/03/2025	15.0	–
Evolus 2025 senior secured loan	62.5	05/05/2025	–	62.5
Paratek senior secured loan	25.0	21/05/2025	25.0	–
Celcuity senior unsecured convertible notes	2.5	01/08/2025	2.5	–
Precigen senior secured loan	50.0	03/09/2025	50.0	–
Harrow senior unsecured notes	35.0	12/09/2025	35.0	–
CytoKinetics senior unsecured convertible notes	30.0	19/09/2025	30.0	–
Novocure senior secured loan	50.0	26/09/2025	50.0	–
Valneva senior secured loan	30.0	17/10/2025	30.0	–
Cogent senior unsecured convertible notes	1.3	18/11/2025	1.3	–
Total	**301.3**		**238.8**	**62.5**

2025 REPAYMENTS

	Investment Amount $M	Repayment Date	Gross IRR[1]	Net IRR[1]
Evolus senior secured loan	62.5	05/05/2025	15.1%	12.0%
OptiNose senior secured loan	71.5	21/05/2025	15.5%	12.4%
BioCryst senior secured loan	129.5	07/10/2025[2]	15.3%	12.3%
Celcuity senior unsecured convertible notes	2.5	29/10/2025	1,077.2%	861.8%
Alphatec senior unsecured convertible notes	15.0	03/11/2025[3]	64.4%	51.5%
CytoKinetic senior unsecured convertible notes	1.3[4]	22/12/2025	187.9%	150.3%
Collegium 2024 senior secured loan	290.4[5]	23/12/2025	12.1%	9.7%
Total	**572.7**			

1 Gross IRR and Net IRR as of the applicable repayment date. The definition of Gross IRR and Net IRR is set forth in the Glossary, refer to page 99. Past performance is not an indication of future performance.

2 BioCryst prepaid $30 million of principal on 17 April 2025, $20 million on 23 July 2025 and then repaid the remaining balance of $79.5 million on 7 October 2025.

3 On 9 September 2025 and 31 October 2025, the Company sold shares of 8 million and 7 million face value respectively, of 0.75 per cent. Alphatec Holdings, Inc. senior unsecured convertible notes due 2030, at an average price of $134. The sales generated a gain of $5 million. Past performance is not an indication of future performance.

4 On 22 December 2025, the Company sold 1.3 million face value, of 1.75 per cent. CytoKinetics, Inc. convertible senior unsecured convertible notes due 2031, at a price of $130. The sale generated a gain of $413,000. Past performance is not an indication of future performance.

5 The Company's total investment amount of the Collegium 2024 refinanced loan, see page 14 for further details.

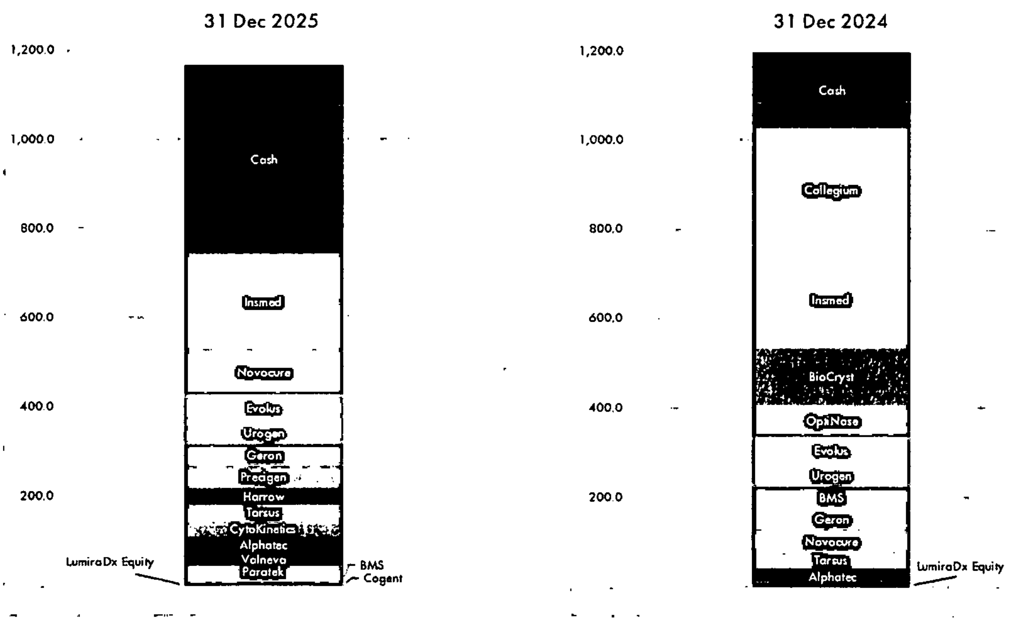
2025 AMORTISATIONS

	Opening Balance 2025 $M	Funded in 2025 $M	Principal Payment in 2025 $M	Amortisation Payment in 2025 $M	Year End Balance 2025 $M
BMS purchased payment	48.1	–	38.0	–	10.1
Collegium 2024 senior secured loan	283.1	–	261.4	21.7	–
Total	**331.2**	**–**	**299.4**	**21.7**	**10.1**

We will seek to achieve this by continuing to build a high-quality portfolio of investments primarily secured by rights and cash flows, including royalties, derived from the sale of approved life sciences products.

Asset[1]	As at 31 Dec 2025 $m	Percentage as at 31 Dec 2025[2]	As at 31 Dec 2024 $m	Percentage as at 31 Dec 2024
Cash and cash equivalents	422.3	36.7%	168.6	14.3%
Insmed 2024 senior secured loan	217.3	18.9%	215.9	18.3%
Novocure senior secured loan	98.3	8.5%	47.8	4.0%
Evolus 2025 senior secured loan	62.1	5.4%	–	–
UroGen 2024 senior secured loan	49.8	4.3%	49.6	4.2%
Geron senior secured loan	49.0	4.3%	48.8	4.1%
Precigen senior secured loan	48.9	4.2%	–	–
Tarsus senior secured loan	36.8	3.2%	36.7	3.1%
Harrow senior unsecured notes	36.5	3.2%	–	–
CytoKinetics senior unsecured convertible notes	35.9	3.1%	–	–
Alphatec senior secured loan	35.2	3.1%	34.7	2.9%
Valneva senior secured loan	29.4	2.6%	–	–
Paratek senior secured loan	24.8	2.2%	–	–
BMS purchased payments	10.1	0.9%	49.1	4.2%
LumiraDx Colombia equity	7.5	0.7%	7.5	0.6%
Cogent senior unsecured convertible notes	1.5	0.1%	–	–
Collegium 2024 senior secured loan	–	–	278.3	23.6%
BioCryst senior secured loan	–	–	127.5	10.8%
OptiNose senior secured note, shares and warrants	–	–	70.4	6.0%
Evolus senior secured loan	–	–	61.7	5.2%
Other net liabilities	(14.5)	(1.4%)	(14.9)	(1.3)
Total net assets	1,150.9	100.0%	1,181.7	100.0%

1 Included are investments held through BPCR Limited Partnership and the figures are stated on a "look-through basis."
2 Includes income accrued for exit consideration and additional consideration.



Chairman's Statement

During 2025, the Company delivered a strong financial and investment performance, investing $301.3 million in several investments. This performance generated net income per share of 11.40 cents and supported dividends of 9.95 cents for the 2025 financial year. The Company also repurchased 4.14 per cent of shares in issue. A large repayment from Collegium in December of 2025 increased the cash balance to $422.3 million which the Investment Manager is actively working to redeploy.

INTRODUCTION

2025 marks the eighth full year since the Company's Initial Public Offering ("IPO") on the London Stock Exchange in March 2017. I am pleased to be able to report on another year of consistent returns and targets achieved. During 2025, the Company generated net income per share of 11.40 cents, compared to 9.99 cents in 2024, and paid 9.95 cents in dividends, 2.95 cents above the target of 7 cents,[1] compared to 3.18 cents above the 7 cent target in 2024. Investors continue to benefit from the Company's exposure to a high-quality, diversified portfolio.

INVESTMENTS

Over the course of 2025, the Company and its subsidiaries invested an aggregate of $301.3 million. Of this amount, $50 million was used to fund an additional tranche of a current investment and $251.3 million was deployed toward new investments. Out of the new investments, $167.5 million was invested in senior secured loans (Evolus, Paratek, Precigen and Valneva), $48.8 million was invested in senior unsecured convertible notes (Alphatec, Celcuity, Cogent and CytoKinetics) and $35 million was invested in senior unsecured notes (Harrow). The Company saw principal repayments from BioCryst, Collegium, Evolus and OptiNose totaling $553.9 million, a total of $25.1 million in accrued interest, prepayment and make-whole fees and sold $18.8 million face value of convertible notes in Alphatec, Celcuity and CytoKinetics for a total gain of $7.4 million. Repayments increased to $616.6 million in 2025, up from $463.1 million in 2024, which, increased the pace of capital turnover and provided additional liquidity to support new investment activity.

The Company has additional unfunded commitments with Evolus, Geron, Novocure, Paratek, Precigen, UroGen and Zenas totaling $366.7 million as of 23 March 2026. Including assets and liabilities from its financing subsidiary, BPCR Limited Partnership, the Company ended the year with total net assets of $1,150.9 million, comprising $742.9 million of investments, $422.3 million of cash less $14.4 million of other net liabilities.

During the first weeks of 2026, the Company has had several updates to its current portfolio. The Company invested an additional $50 million in UroGen, sold 19.3 million of 1.75 per cent. CytoKinetics, Inc. senior unsecured convertible notes, committed to invest up to $125 million with Zenas BioPharma and invested an additional $25 million in Paratek.

DCM AND SHARE BUYBACKS

The Board recognises that the share price during 2025 represented a significant discount to the NAV and together with the manager assessed new strategies to ameliorate that discount. Under the Discount Control Mechanism ("DCM"), the Company is required to use up to $50 million over the calendar year to repurchase shares until such time that the discount to NAV over a two-week period is less than 5 per cent. During 2025, the DCM was triggered, and the Company was required to use its capital to repurchase shares, resulting in the purchase of 56,828,879 shares, which is 4.14 per cent. of the total shares in issue of the Company, at an average share price of 86.9 cents and a total cost of $50.3 million. Please see page 31 for a full description of the current DCM, that will continue until otherwise amended. Since IPO, the Company has bought back a total of 240,470,178 shares, which is 16.34 per cent. of the total shares in issue of the Company.

SHAREHOLDER RETURNS[1]

The Company reported net income return from ordinary activities after finance costs and before taxation for the year ended 2025 of $129.9 million. On 31 December 2025, the Company's Ordinary Shares in issue closed at a share price of 91.60 cents, above the closing price on 31 December 2024 of 88.4 cents. Net Asset Value ("NAV") per Ordinary Share in issue increased during the same timeframe by

[1] Past performance is not indicative of future performance.

2.29 cents from 99.63 cents to 101.20 cents. The Company made three dividend payments over the calendar year, which related to 2025, totaling 6.75 cents per share, referencing net income for the three quarters ending 30 September 2025. The Company was therefore able to maintain its record of paying a dividend of at least 1.75 cents per share in every quarter since 30 June 2018.

Following the end of the year, the Company declared a further dividend in respect of the last quarter of 2025 of 3.20 cents per share made up of an ordinary dividend of 1.75 cents together with a special dividend of 1.45 cents that was paid on 20 March 2026. Total dividends related to 2025 and 2024 results reached 9.95 cents and 10.18 cents per share respectively. The 2025 and 2024 dividends were both covered from profits.

The Company's share price as of 20 March 2026 was 94.00 cents which represents a 6 per cent. discount to NAV.

ESG

The Board has supported the Environmental, Social and Governance ("ESG") programme of Pharmakon during 2025, with progress made in further incorporating ESG as part of the investment process. In addition to managing environmental and social risks, the Company's financing activities support healthcare innovators, including companies such as Valneva, which are developing vaccines aimed at addressing vaccine-preventable diseases and contributing to improved public health outcomes. The key areas are described in more detail on pages 22 to 25.

GEOPOLITICAL STATEMENT

The effects of major geopolitical and social risks, including the invasion by Russia of Ukraine and the war between Israel and Hamas, may have economic consequences that extend beyond the short term. However, the Company does not have any direct investments with Russia, Ukraine or Iran and has limited manufacturing exposure in Israel.

The Board will continue to monitor the situation and will inform shareholders of any material changes to this assessment.

PRICING AND REGULATORY OUTLOOK

A significant portion of the revenues from borrowers in the portfolio come from sales which are reimbursed by various US government entities that are highly regulated. While we currently do not expect major changes to how these entities will continue to reimburse for the cost of these drugs, we cannot predict whether the US administration will seek to make changes that may affect the sales of these products.

There were no major regulatory changes in 2025 that, in the Investment Manager's opinion, would impact the performance of the portfolio.

OUTLOOK

The Investment Manager highlights an expanding investment pipeline as new products and companies enter the market from 2026 onward. The significant increase in the cash balance to $422.3 million at 31 December 2025 came from the Collegium repayment on 23 December 2025. The Investment Manager is grateful for Collegium's partnership and is proud to have served as a trusted financing source over the past six years. While this early repayment will result in a higher-than-usual cash balance, the Investment Manager is encouraged by the strength of the broader pipeline and looks forward to further diversifying the portfolio. The Board also believes the Company's portfolio of floating- and fixed-rate loans remains well positioned to deliver attractive returns in a shifting interest rate environment.

Following the annual general meeting ("AGM") on 9 June 2025, the Company announced that shareholders approved the continuation of the Company's business as a closed-ended investment trust with 99 per cent. of shares voting, in favor. Under the existing articles of the Company, a Continuation Resolution is required to be held at the first AGM following the fifth anniversary of the Company's IPO and at every third AGM thereafter.

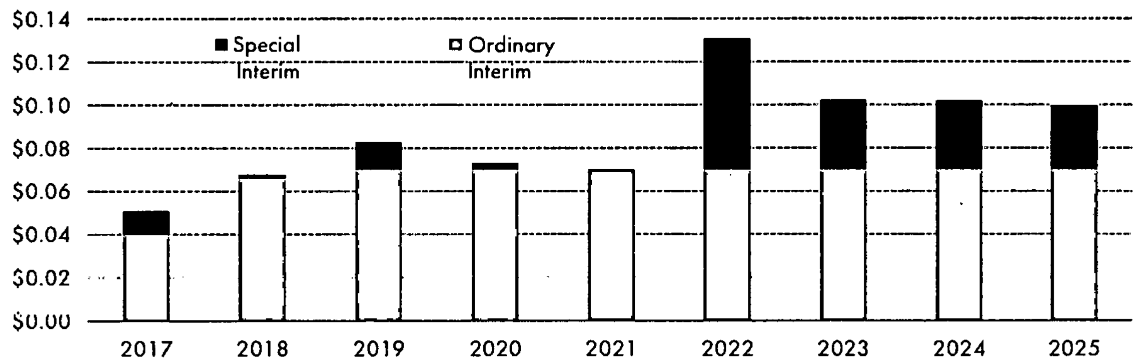
BOARD CHANGES

At this year's AGM, both Colin Bond and Duncan Budge, who have been on the Board for nine years as recommended by the UK Corporate Governance Code, will not seek re-election. The Board would like to thank Colin and Duncan for their invaluable contribution during their tenure. Nigel Reynolds will replace Colin as Chair of the Audit and Risk Committee and Sapna Shah will replace Duncan as Senior Independent Director. To ensure continuity, I will remain in post as Chairman until the end of 2026, then I will step down as a Director and be replaced as Chairman by Rolf Soderstrom, current non-executive Director. In the meantime, a process is underway to recruit one additional non-executive Director.

On behalf of the Board, I should like to express our thanks to Pharmakon for their continued efforts and achievements on behalf of the Company in 2025 and to our shareholders for their continued support.

Harry Hyman
Chairman
23 March 2026

BPCR annualized dividends per share in US$[1]



[1] Past performance is not indicative of future performance.

Investment Manager

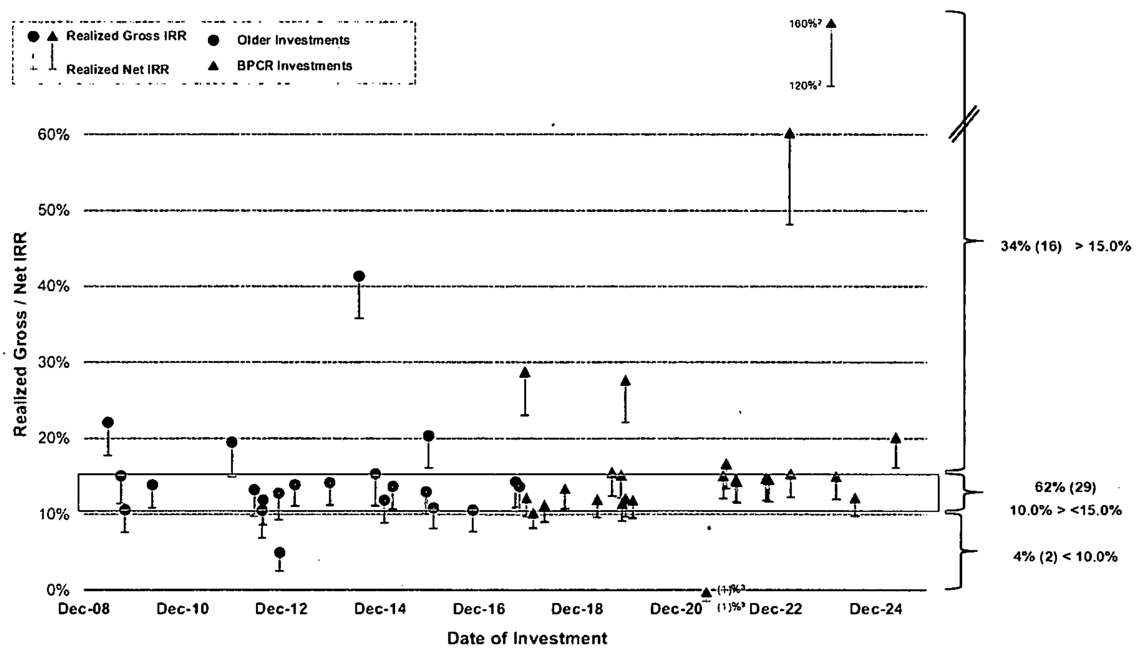
Another year of strong investment returns

Pharmakon is pleased to present an update on the Company's portfolio and investment outlook. The Company's existing portfolio investments continue to perform well.

New investments, together with multiple repayments, led to total income and return on ordinary activities after finance costs and taxation for the portfolio during 2025 of $157.8 million and $129.9 million respectively.[1] Pharmakon's engagement with current and potential counterparties throughout the year resulted in $301.3 million of investments for the Company.[2] The Company also received $553.9 million in principal repayments and $25.1 million in accrued interest, prepayment and make-whole fees on the private loans (including BioCryst, Collegium, Evolus and OptiNose) and sold $18.8 million of convertible notes in Alphatec, Celcuity and CytoKinetics for a total gain of $7.4 million.

See the chart below for the investment track record of non-convertible debt investments made by the Company and prior funds managed by the Investment Manager.

Unlevered Returns have been consistent over the years (47 Realized Transactions)[1]



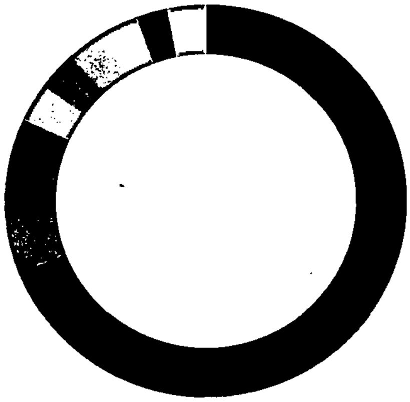
1 As of 24 March, 2026. Past performance is not indicative of future results. Please refer to page 99 for additional information. As set forth herein the Realized Gross and Net IRR for each individual investment is determined in accordance with the methodology described in the legend on page 99. The Realized Net IRR for each realized investment is calculated by applying a percentage reduction to the respective Realized Gross IRR based on the average percentage reduction from the realized gross IRR and realized net IRR from all previously realized investments from prior closed private funds, in each case in accordance with the methodology described in the legend on page 99. The Investment Manager believes this methodology is the appropriate approach to derive an approximate realized net IRR for realized investments in currently active funds. Excludes equity and convertible investments.

2 Referenced figures and amounts for Reata are inclusive of the Biogen settlement payment in 2025, net of any applicable transaction related expenses and costs. Past performance is not indicative of future results.

3 LumiraDx shown as of 23 March 2026, reflecting amounts actually received as of such date, excluding any potential future proceeds from the anticipated sale of the Colombian subsidiary. Past performance is not indicative of future results.

CURRENT PORTFOLIO AS OF 31 DECEMBER 2025

Current Portfolio Diversification



Type	Percentage[7]	Fair Value (in $M)
■ Cash	36.5%	422.3
■ Insmed 2024	18.8%	217.3
■ Novocure	8.5%	98.3
■ Evolus 2025	5.4%	62.4
■ UroGen 2024	4.3%	49.8
■ Geron	4.2%	49.0
■ Predgen	4.2%	48.9
■ Tarsus	3.2%	36.8
■ Harrow	3.2%	36.5
■ CytoKinetics	3.1%	35.7
■ Alphatec	3.0%	35.2
■ Valneva	2.5%	29.4
■ Paratek	2.1%	24.8
■ BMS	0.9%	9.9
■ Cogent	0.1%	1.5

Cogent

On 12 November 2025, the Company, along with the Private Fund also managed by the Investment Manager (the "Private Fund"), purchased 1.3 million face value each of 1.625 per cent. senior unsecured convertible notes due 2031 issued by Cogent Biosciences, Inc. (Nasdaq: COGT) ("Cogent") at a price of $1.00 per note for a total $1.3 million investment. The closing price at 31 December 2025 was $117.08.

Cogent is a clinical-stage biotechnology company focused on creating precision therapies for genetically defined diseases, especially those driven by specific genetic mutations. The market capitalization as of 16 March 2026 was $5.79 billion.

Investment type:	**Senior Unsecured Convertible Notes**
Purchase date:	**12 November 2025**
Total investment amount:	**$2.6m**
Company commitment:	**$1.3m**
Maturity:	**November 2031**

Valneva

On 6 October 2025, the Company, along with the Private Fund, entered into a senior secured term loan agreement with Valneva Austria GmbH, a subsidiary of Valneva SE (PAR: VLA) ("Valneva"), a specialty vaccine company committed to developing vaccines for the treatment of infectious diseases in high unmet areas.

Valneva drew down $215 million on 17 October 2025. The Company's share of the transaction was $30 million, which was funded by the Company through its subsidiary. The loan bears interest at a fixed rate of 9 per cent. per annum with a 2 per cent. additional consideration for Tranche A that was paid at closing.

Valneva currently markets three travel vaccines globally while continuing to develop a pipeline of candidates, including a Lyme disease vaccine candidate in advanced clinical development. Marketed products include Ixiaro, Dukoral, and Ixchiq which are vaccines approved against Japanese encephalitis, cholera, and chikungunya respectively. Valneva is headquartered in France with operations in Austria, Sweden, the UK, France, Canada, and the U.S. The market capitalization as of 16 March 2026 was $914 million.

Investment type:	**Secured Loan**
Initial investment Date:	**6 October 2025**
Total loan amount:	**$215m**
Company commitment:	**$30m**
Maturity:	**October 2030**

CytoKinetics

On 17 September 2025, the Company and the Private Fund purchased 30 million face value and 20 million face value, respectively, for a total of 50 million of 1.75 per cent. senior unsecured convertible notes due 2031 issued by CytoKinetics, Inc. at a price of $1.00 per note for a total $30 million investment. The closing price at 31 December 2025 was $124.46. (Nasdaq: CYTK) ("CytoKinetics").

On 22 December 2025, the Company sold 1.3 million of 1.75 per cent. CytoKinetics, Inc. senior unsecured convertible notes due 2031 at a price of $130. The sale generated a gain of $413,000.

Cytokinetics is a U.S. based biopharmaceutical company focused on developing medicines that improve how muscles work and specializes in drugs that directly target muscle proteins to treat serious cardiac and neuromuscular diseases. The market capitalization as of 16 March 2026 was $7.49 billion.

Investment type:	**Senior Unsecured Convertible Notes**
Purchase date:	**17 September 2025**
Total investment amount:	**$50m**
Company commitment:	**$30m**
Maturity:	**October 2031**

Harrow

On 12 September 2025, the Company purchased 35 million face value of 8.63 per cent. senior unsecured notes due 2030 issued by Harrow, Inc. at a purchase price of $1.00 per note for a total $35 million investment. The closing price of the notes at 31 December 2025 was $105.10 (Nasdaq: HROW) ("Harrow").

Harrow is a leading provider of ophthalmic disease management solutions in the U.S. marketing a portfolio of products used to treat conditions of both the front and back of the eye. The market capitalization as of 16 March 2026 was $1.30 billion.

Investment type:	**Senior Unsecured Notes**
Purchase date:	**12 September 2025**
Total investment amount:	**$35m**
Company commitment:	**$35m**
Maturity:	**October 2031**

Precigen

On 3 September 2025, the Company, along with the Private Fund, entered into a senior secured term loan agreement with Precigen, Inc. (Nasdaq: PGEN) ("Precigen"), a dedicated discovery, clinical and commercial stage company advancing the next generation of gene and cell therapies using precision technology to target the most urgent and intractable diseases.

Precigen drew down $100 million at closing on 3 September 2025. The Company's share of the draw down was $50 million, which was funded by the Company through its subsidiary. The remaining tranche, of which the Company's share is $12.5 million, will be available through 29 June 2027. The loan bears interest at 3-month secured overnight financing rate ("SOFR"), (subject to a 3.75 per cent. floor), plus 6.50 per cent. and a 2.50 per cent. additional consideration for Tranche A that was paid at closing. The additional consideration for the remaining tranche will be payable on the respective funding date.

Precigen's first approved product is Papzimeos (formerly PRGN-2012), an immunotherapy for the treatment of adults with Recurrent Respiratory Papillomatosis (RRP). Papzimeos is the first and only FDA-approved therapy for the treatment of adults with RRP. Papzimeos is a non-replicating adenoviral vector-based immunotherapy designed to express a fusion antigen comprising selected regions of human papillomavirus (HPV) types 6 and 11 proteins – the root cause of RRP. The market capitalization as of 16 March 2026 was $1.24 billion.

Investment type:	**Secured Loan**
Initial investment Date:	**3 September 2025**
Total loan amount:	**$125m**
Company commitment:	**$62.5m**
Maturity:	**September 2030**

Paratek

On 21 May 2025, the Company, along with the Private Fund entered into a senior secured term loan agreement with Paratek Pharmaceuticals, Inc. ("Paratek"), alongside funds managed by Oaktree Capital Management, L.P. ("Oaktree") and Q Aspen LLC (a wholly owned subsidiary of Qatar Investment Authority, "QIA").

The Company, through its subsidiary, and the Private Fund funded $50 million out of a total $275 million senior secured loan facility. The Company's share of the transaction was $25 million, which was funded by the Company through its subsidiary. Oaktree and QIA funded the balance of the $200 million senior secured loan facility. Since Paratek is a privately held company, further details about the senior secured loan facility are not publicly available, but the terms of the loan are generally comparable with the Company's other investments.

Paratek is a privately held pharmaceutical company providing innovative specialty therapies for community care providers and specialists. Paratek's lead product, Nuzyra (omadacycline), is a once-daily oral and intravenous antibiotic indicated for adults with community-acquired bacterial pneumonia (CABP). On 21 May 2025, Paratek acquired OptiNose, Inc. ("OptiNose"), a specialty pharmaceutical company focused on products for patients treated by ear, nose, and throat (ENT) and allergy specialists. This acquisition added Xhance, a propionate nasal spray approved for the treatment of chronic rhinosinusitis with nasal polyps and without nasal polyps, to the portfolio.

Investment type:	**Secured Loan**
Initial investment date:	**21 May 2025**
Total loan amount:	**$200m**
Company commitment:	**$25m**
Maturity:	**–***

Evolus 2025

On 5 May 2025, the Company and the Private Fund entered into an amended and restated senior term loan agreement for up to $250 million with Evolus, Inc. (Nasdaq: EOLS) ("Evolus"), a biopharmaceutical company that develops, produces, and markets clinical neurotoxins for aesthetic treatments.

The new loan consisted of a $250 million initial term loan, of which the Company's share is $62.5 million, to refinance in full the existing term loan and two additional tranches of $20.85 million each, that are available to be drawn by 31 December 2026 subject to customary conditions precedent set forth in the amended and restated loan agreement. The Company's share of the new term loan is $104.2 million. The loan bears interest at 3-month SOFR (subject to a 3.50 per cent. floor), plus 5 per cent. with a 1 per cent. additional consideration that was paid at closing, of which the Company received $625,000 and a 2 per cent. exit consideration payable at maturity.

Evolus currently markets Jeuveau©, the first and only neurotoxin dedicated exclusively to aesthetics, and Evolysse™, a collection of unique injectable hyaluronic acid (HA) gels. On 13 February 2025, Evolysse was approved by the Food and Drug Administration ("FDA") and is the first HA filler to recognize weight loss in the patient label as a factor in wrinkle formation. Evolus launched Evolysse in April 2025. The market capitalization as of 16 March 2026 was $328 million.

Investment type:	**Secured Loan**
Initial investment date:	**5 May 2025**
Total loan amount:	**$250m**
Company commitment:	**$104.2m**
Maturity:	**May 2030**

* Since Paratek is a privately held company, further details about the senior secured loan facility are not publicly available, but the terms of the loan are generally comparable with the Company's other investments.

Geron

On 1 November 2024, the Company and the Private Fund entered into a senior secured term loan agreement for up to $250 million with Geron Corporation (Nasdaq: GERN), a commercial stage biopharmaceutical company committed to extending and enhancing the lives of people living with blood cancers ("Geron").

Geron drew down $125 million at closing on 1 November 2024. The Company's share of the draw down was $50 million, which was funded by the Company, through its subsidiary. The remaining two tranches, of which the Company's share was $50 million, were due to expire on 31 December 2025. On 5 January 2026, the Company and Geron entered into an amendment to extend the availability period for Tranche B and C to 30 September 2026 and extend the make-whole period for Tranche A to 1 May 2027. The loan bears interest at 3-month SOFR (subject to a 3 per cent. floor), plus 5.75 per cent. and a 2.50 per cent. additional consideration for Tranche A that was paid at closing. The additional consideration for the remaining tranches will be payable on their respective funding dates.

Geron's telomerase inhibitor Rytelo (imetelstat) is approved in the United States for the treatment of certain adult patients with lower-risk myelodysplastic syndromes (LR-MDS) with transfusion dependent anemia and was launched in the United States in June 2024. In March 2025, Geron received marketing authorization for Rytelo from the European Commission as a monotherapy for ESA ineligible and ESA relapsed/refractory non-del 5q patients with transfusion-dependent anemia due to LR-MDS. Launch planning is underway and Geron expects to commercialize Rytelo in select EU countries commencing in 2026.

Geron is also conducting a pivotal Phase 3 clinical trial of imetelstat in JAK-inhibitor relapsed/refractory myelofibrosis (R/R MF), as well as studies in other myeloid hematologic malignancies. Inhibiting telomerase activity, which is increased in malignant stem and progenitor cells in the bone marrow, aims to reduce proliferation and induce death of malignant cells. The market capitalization as of 16 March 2026 was $1.06 billion.

Investment type:	**Secured Loan**
Initial investment date:	**1 November 2024**
Total loan amount:	**$250m**
Company commitment:	**$100m**
Maturity:	**November 2029**

Insmed 2024

On 31 October 2024, the Company and the Private Fund entered into an amended and restated senior term loan agreement for up to $547 million with Insmed Incorporated (Nasdaq: INSM), a biopharmaceutical company focused on treating patients with serious and rare pulmonary diseases ("Insmed").

The new loan consisted of a $397 million initial term loan to refinance in full the existing term loan and an additional $150 million tranche. The Company, through its subsidiary, funded its share of the additional tranche totaling $60 million at signing on 31 October 2024. The loan bears interest at a fixed rate of 9.60 per cent. per annum with a 2 per cent. exit consideration.

Insmed's commercial product, Arikayce, launched in October 2018 and is indicated for refractory mycobacterium avium complex (MAC) lung disease. The product is currently being commercialized in the US, Europe, and Japan. On 12 August 2025, the FDA approved Brinsupri (Brensocatib) as an oral treatment for non-cystic fibrosis bronchiectasis in adults and children 12 years and older, and on 17 October 2025, the EMA's CHMP adopted a positive opinion recommending approval of Brinsupri in the EU, approval is expected by year-end 2025.

In June 2025, Insmed announced positive topline data from the Phase 2b study of TPIP, a dry powder inhalation formulation of a Treprostinil prodrug, in pulmonary arterial hypertension ("PAH"). Insmed anticipates initiating a Phase 3 study of TPIP in patients with PH-ILD in 4Q25 and in patients with PAH in early 2026. The market capitalization as of 16 March 2026 was $31.17 billion.

Investment type:	**Secured Loan**
Initial investment date:	**31 October 2024**
Total loan amount:	**$547m**
Company commitment:	**$219m**
Maturity:	**September 2029**

Alphatec

On 29 October 2024, the Company and the Private Fund entered into a new investment in the form of an assignment of $70 million of a $200 million senior secured loan to Alphatec Holdings, Inc. (Nasdaq: ATEC) ("Alphatec"). The assignor, Braidwell Transaction Holdings LLC – Series I, retained the remaining $130 million. Alphatec is a medical device company that designs, develops, and markets spine fusion products and solutions for the treatment of spinal disorders.

Alphatec drew down $50 million at closing on 29 October 2024. The Company and the Private Fund received $70 million in total via assignment, of which the Company's portion was $35 million, where $50 million consisted of the new funds drawn and the remaining $20 million was from the existing funded loan. The loan bears interest at 3-month SOFR (subject to a 3 per cent. floor) plus 5.75 per cent., with a SOFR adjustment of 0.11448 per cent. with a 1 per cent. additional consideration that was paid at closing and an exit consideration of 3.25 per cent.

On 7 March 2025, the Company purchased 15 million of 0.75 per cent. senior unsecured convertible notes due 2030 issued by Alphatec Holdings, Inc. at a purchase price of $1.00 per note for a $15 million investment. On 9 September 2025 and 31 October 2025, the Company sold 8 million face value and 7 million face value respectively, of 0.75 per cent. Alphatec Holdings, Inc. senior unsecured convertible notes due 2030, at an average price of $134. The sales generated a gain of $5 million.[1]

Alphatec offers intra-operative information and neuromonitoring technologies, access systems, interbody implants, fixation systems, and various biologics offerings. The market capitalization as of 16 March 2026 was $1.91 billion.

Investment type:	**Secured Loan (via Assignment)**
Initial investment date:	**29 October 2024**
Total loan amount:	**$200m**
Company commitment:	**$35m**
Maturity:	**January 2028**

Novocure

On 1 May 2024, the Company and the Private Fund entered into a senior secured term loan agreement for up to $400 million with a wholly owned subsidiary of Novocure Limited (Nasdaq: NVCR). Novocure owns and commercialises a proprietary platform technology that uses electric fields that exert physical forces to kill cancer cells via a variety of mechanisms ("Novocure").

Novocure drew down $100 million of the $400 million loan on 1 May 2024, of which $50 million was funded by the Company through its subsidiary. On 26 September 2025, Novocure drew down $100 million of Tranche B, of which $50 million was funded by the Company through its subsidiary. The remaining $200 million is available to be drawn after achieving certain sales-based milestones. The loan bears interest at 3-month SOFR (subject to a 3.25 per cent. floor) plus 6.25 per cent. A one-time additional consideration of 2.50 per cent. of Tranche A and Tranche B amounts were paid at signing, and a one-time additional consideration of 2.50 per cent. of each remaining tranche will be paid at funding.

Novocure is a global oncology company that has a proprietary platform technology called Tumor Treating Fields ("TTFields"), which are electric fields that exert physical forces to kill cancer cells via a variety of mechanisms. Novocure's product, Optune Gio, is approved for the treatment of adult patients with newly diagnosed glioblastoma. Optune Lua was approved on 15 October 2024 and is indicated for concurrent use with PD-1/PD-L1 inhibitors or docetaxel, for the treatment of adult patients with metastatic non-small cell lung cancer who have progressed on or after a platinum-based regimen.

Novocure also has ongoing or complete trials investigating TTFields in brain metastases, gastric cancer, GBM, liver cancer, and pancreatic cancer. The market capitalization as of 16 March 2026 was $1.41 billion.

Investment type:	**Secured Loan**
Initial investment date:	**1 May 2024**
Total loan amount:	**$400m**
Company commitment:	**$200m**
Maturity:	**May 2029**

Tarsus

On 19 April 2024, the Company and the Private Fund entered into a senior secured term loan agreement for up to $200 million with Tarsus Pharmaceuticals (Nasdaq: TARS) ("Tarsus"), a biopharmaceutical company focused on addressing several diseases with high unmet need across a range of therapeutic categories, including eye care, dermatology, and infectious disease prevention.

Tarsus drew down $75 million at closing on 19 April 2024, of which $37.5 million was funded by the Company through its subsidiary. The remaining tranches totaling $75 million expired without being drawn. The loan bears interest at 3-month SOFR (subject to a 3.75 per cent. floor) plus 6.75 per cent. A one-time additional consideration of 2.5 per cent. of the funded amount was paid.

Tarsus currently markets XDEMVY® (lotilaner ophthalmic solution), a treatment for Demodex blepharitis. XDEMVY® was approved in the US in July 2023. Tarsus also has 3 additional clinical programs; TP-04 for ocular rosacea (Phase 2) and TP-05 for the prevention of Lyme disease (Phase 2) and malaria (preclinical). The market capitalization as of 16 March 2026 was $2.93 billion.

Investment type:	**Secured Loan**
Initial investment date:	**19 April 2024**
Total loan amount:	**$200m**
Company commitment:	**$100m**
Maturity:	**April 2029**

UroGen 2024

On 13 March 2024, the Company and the Private Fund entered into an amended and restated loan agreement for up to $200 million with UroGen Inc. (Nasdaq: URGN) ("UroGen"), a biopharmaceutical company dedicated to creating novel solutions that treat urothelial and specialty cancers.

The new loan consisted of a $100 million initial term loan to refinance in full the existing term loan, of which the Company's portion was $50 million. The additional tranches of up to $100 million were allocated in full to the Private Fund. The loan bore interest at 3-month SOFR (subject to a 2.50 per cent. floor) plus 7.25 per cent. per annum with a SOFR adjustment of 0.26161 per cent. A one-time additional consideration of 1.75 per cent. of the funded amount was paid at funding, and a one-time additional consideration of 1.75 per cent. of each remaining tranche would have been be paid at funding, if certain milestones are met. On 2 March 2026, the Company and the Private Fund entered into an amended and restated senior term loan agreement with UroGen for $250 million. The existing $125 million initial term loan was increased to $200 million in a new Tranche A (with the additional $75 million being funded at closing) and an additional Tranche B was added for up to $50 million that expires 30 June 2027. The Company's share of the transaction was $150 million. The loan will mature in March 2031 and will bear interest at a fixed rate of 8.25 per cent. per annum. And a one-time additional consideration of 1.50 per cent. of each new tranche is payable upon funding of each respective tranche, with the Company receiving $1.5 million in connection with the new Tranche A at signing. In addition, an exit fee of 1 per cent is also required upon any payment of principal.

UroGen's products are being developed as chemoablation agents designed to remove tumors by non-surgical means. UroGen markets JELMYTO (mitomycin), a prescription medicine used to treat adults with a type of cancer of the lining of the upper urinary tract including the kidney called low-grade Upper Tract Urothelial Cancer (LG-UTUC). On 15 October 2024, the FDA accepted UroGen's NDA for UGN-102 for low-grade intermediate risk Non-Muscle Invasive Bladder Cancer ("NMIBC") and granted a PDUFA target action date of 13 June 2025. On 12 June 2025, the FDA approved ZUSDURI (UGN-102), the first and only FDA-approved medication for adults with recurrent LG-IR-NMIBC. The market capitalization as of 16 March 2026 was $912 million.

Investment type:	**Secured Loan**
Initial investment date:	**13 March 2024**
Total loan amount:	**$200m**
Company commitment:	**$50m**
Maturity:	**March 2028**

Bristol-Myers Squibb Company

On 8 December 2017, the Company's wholly-owned subsidiary entered into a purchase, sale and assignment agreement with a wholly-owned subsidiary of Royalty Pharma Investments ("RPI"), an affiliate of the Investment Manager, for the purchase of a 50 per cent. interest in a stream of payments (the "Purchased Payments") acquired by RPI's subsidiary from Bristol-Myers Squibb (NYSE: BMY) through a purchase agreement dated 14 November 2017.

As a result of the arrangements, RPI's subsidiary and the Company's subsidiary were each entitled to the benefit of 50 per cent. of the Purchased Payments under identical economic terms. The Purchased Payments were linked to tiered worldwide sales of Onglyza and Farxiga, diabetes agents marketed by AstraZeneca, and related products. The Company funded all of the Purchased Payments based on sales from 1 January 2018 to 31 December 2019 for a total of $162 million. The final payment of $10.2 million was received on 13 March 2026. Based on sales from 1 January 2020 to 31 December 2025, the Company received $243 million consisting of $162 million of principal and $81 million in interest.

Investment type:	**Purchased Payments**
Initial investment date:	**8 December 2017**
Total loan amount:	**$324m**
Company commitment:	**$162m**
Maturity:	**March 2026**

REALISED INVESTMENTS

The following table details investments realized during the 31 December 2025 and 31 December 2024 periods.

	Amount Funded	Repayment Date	Gross IRR[1]	Net IRR[2]	Prepayment and Make-whole Fees
Collegium 2024 senior secured loan	481.2	23/12/2025	12.1%	9.7%	7.9
CytoKinetics senior unsecured convertible notes	1.3	22/12/2025	187.9%	150.3%	–
Alphatec senior unsecured convertible notes	15.0	03/11/2025	64.4%	51.5%	–
Celcuity senior unsecured convertible notes	2.5	28/10/2025	1,077.2%	816.8%	–
BioCryst senior secured loan	120.0	07/10/2025	15.3%	12.3%	4.4
OptiNose senior secured loan	71.5	21/05/2025	15.5%	12.4%	11.3
Evolus 2021 senior secured loan	62.5	05/05/2025	15.1%	12.0%	-
Immunocore senior secured loan	25.0	08/11/2024	14.6%	11.7%	1.0
Insmed 2022 senior secured loan	140.0	31/10/2024	14.7%	11.8%	–
Reata senior secured loan	62.5	05/09/2024	158.0%	126.4%	15.5
LumiraDx senior secured loan (Total)	176.0		-0.5%	-0.7%	–
LumiraDx	120.7	31/07/2024	0.4%	0.3%	–
LumiraDx	20.1	31/07/2024	-21.9%	-17.5%	–
LumiraDx	35.2	31/07/2024	5.4%	4.3%	–
Collegium 2022 senior secured loan	325.0	28/07/2024	14.3%	11.5%	–
Coherus senior secured loan (Total)	125.0		16.7%	13.3%	5.4
Coherus	87.5	01/04/2024	16.6%	13.3%	3.1
Coherus	37.5	08/05/2024	16.8%	13.4%	2.3
UroGen 2022 senior secured loan	50.0	13/03/2024	14.5%	11.6%	–
ImmunoGen senior secured loan	62.5	12/02/2024	60.2%	48.2%	13.2
Akebia senior secured loan (Total)	50.0		11.4%	9.1%	12.9
Akebia	10.0	15/07/2022	11.3%	9.0%	12.8
Akebia	40.0	29/01/2024	11.4%	9.1%	0.1

[1] Gross IRR is set forth in the Glossary, refer to page 99. Past performance is not an indication of future performance.

[2] Net IRR is set forth in the Glossary, refer to page 99. Past performance is not an indication of future performance.

Collegium 2024

On 28 July 2024, the Company and the Private Fund provided Collegium with a commitment to enter into a new senior secured term loan agreement for $645.8 million. The new loan consisted of a $320.8 million initial term loan, of which the Company's share was $160.4 million, to refinance in full the existing term loan and a $325 million second tranche, of which the Company's share was $130 million, that was drawn on 23 September 2024. Proceeds from the new loan were used to assist Collegium in the successful closing of the acquisition of Ironshore Therapeutics. On 23 December 2025, Collegium repaid its remaining $261.4 million balance to the Company, and the Company received $7.9 million of accrued interest and prepayment fees. The Company and its subsidiaries earned a 12.1 per cent. gross internal rate of return[1] and 9.7 per cent. net internal rate of return[2] on its Collegium 2024 investment.

Alphatec

On 5 March 2025, the Company purchased 15 million of 0.75 per cent. senior unsecured convertible notes due 2030 issued by Alphatec Holdings, Inc. at a purchase price of $1.00 per note for a $15 million investment. On 9 September 2025 and 31 October 2025, the Company sold 8 million and 7 million face value respectively, of 0.75 per cent. Alphatec Holdings, Inc. senior unsecured convertible notes due 2030, at an average price of $134. The sales generated a gain of $5 million and earned a 64.4 per cent. gross internal rate of return[1] and 51.5 per cent. net internal rate of return[2].

Celcuity

On 30 July 2025, the Company purchased 2.5 million of 2.75 per cent. senior unsecured convertible notes due 2031 issued by Celcuity, Inc. at a purchase price of $1.00 per note for a $2.5 million investment. On 27 October 2025, the Company sold 2.5 million of 2.75 per cent. Celcuity, Inc. senior unsecured convertible notes due 2031 at a price of $181. The sale generated a gain of $2 million and earned a 1,077.2 per cent. gross internal rate of return[1] and 816.8 per cent. net internal rate of return[2].

BioCryst

On 17 April 2023, the Company and the Private Fund entered into a senior secured term loan agreement for up to $450 million with BioCryst, who BioCryst drew down $300 million at closing. On 17 April 2023, the Company funded $120 million through its subsidiary and BioCryst elected to PIK interest of $9.5 million. The commitment for the remaining three tranches of up to $50 million each expired on 30 September 2024. The loan was due to mature in April 2028 and bore interest at 3-month SOFR plus 7 per cent. per annum subject to a 1.75 per cent. floor and up to 50 per cent. of the interest during the first 18 months were paid-in-kind (PIK) at a rate of 3-month SOFR plus 7.25 per cent. The Company funded $120 million on 16 April 2023. On 18 April 2025, BioCryst prepaid $30 million of its balance to the Company and the Company received $1.1 million in accrued interest and prepayment fees. On 24 July 2025, BioCryst prepaid $20 million of its balance to the Company and the Company received $751,000 in accrued interest and prepayment fees. On 8 October 2025, BioCryst repaid its remaining $79.5 million balance to the Company and the Company received $2.6 million in accrued interest and prepayment fees. The Company and its subsidiaries earned a 15.3 per cent. gross internal rate of return[1] and 12.3 per cent. net internal rate of return[2] on its BioCryst investment.

OptiNose

On 12 September 2019, the Company and the Private Fund entered into a senior secured note purchase agreement for the issuance and sale of senior secured notes in an aggregate original principal amount of up to $150 million by OptiNose US, Inc. a wholly owned subsidiary of OptiNose, a commercial stage specialty pharmaceutical company. OptiNose drew a total of $130 million out of the $150 million committed, of which the Company, through its subsidiary, funded $71.5 million. The notes were originally due to mature in September 2024 and bore interest at 10.75 per cent. per annum along with a one-time additional consideration of 0.75 per cent. of the aggregate original principal amount of senior secured notes which the Company was committed to purchase under the facility and 445,696 warrants exercisable into common stock of OptiNose. After certain amendments, the loan would have matured in June 2027 and bore an interest rate of 3-month SOFR plus 8.50 per cent., subject to a 2.50 per cent. floor. On 21 May 2025, OptiNose entered into an agreement for Paratek to acquire OptiNose. In connection with the closing of such acquisition on 21 May 2025, the Company received a payment of $82.8 million, comprised of $71.5 million in returned principal and $11.3 million of make-whole and prepayment fees, and accrued interest. The Company also received proceeds of $1.6 million in connection with the Company's outstanding OptiNose shares. The Company and its subsidiaries earned a 15.5 per cent. gross internal rate of return[1] and 12.4 per cent. net internal rate of return[2] on its OptiNose investment.

Evolus 2021

On 14 December 2021, the Company and the Private Fund entered into a senior secured loan agreement for up to $125 million with Evolus. The Company, through its subsidiary, funded $37.5 million of the first tranche of $75 million on 29 December 2021. The remaining $50 million was drawn down in two installments of $12.5 million each on 13 May 2023 and on 14 December 2023. The loan would have matured in December 2027 and bore interest at 3-month SOFR plus 8.50 per cent. with an additional 0.17 per cent. adjustment per annum, subject to a 1 per cent. floor along with a one-time additional consideration of 2.25 per cent. of the total loan amount paid at funding of the first tranche. On 5 May 2025, the Evolus loan was refinanced in full. The Company and its subsidiaries earned a 15.1 per cent. gross internal rate of return[1] and 12.0 per cent. net internal rate of return[2] on its Evolus 2021 investment.

LumiraDx

On 23 March 2021, the Company and the Private Fund entered into a senior secured loan agreement with LumiraDx for $300 million. The loan would have matured in March 2024 and bore interest at 3-month SOFR plus 8 per cent. with the ability to PIK anything above 8 per cent., additional consideration of 2.5 per cent. of the total loan amount and 9 per cent. of

[1] Gross IRR is set forth in the Glossary, refer to page 99. Past performance is not an indication of future performance.

[2] Net IRR is set forth in the Glossary, refer to page 99. Past performance is not an indication of future performance.

[3] The market value of the LumiraDx Colombian subsidiary is subject to change.

the total loan amount payable upon repayment. The Company's allocation of the transaction was $150 million. From 24 July 2023 to 9 November 2023, the Company, through its subsidiary, and the Private Fund funded $53 million of additional tranches to LumiraDx. On 29 December 2023, LumiraDx announced the appointment of joint administrators for two of its subsidiaries, and Roche Diagnostics Limited ("Roche") announced that it would acquire LumiraDx group's point-of-care diagnostics platform business and certain related assets for $295 million. On 29 July 2024, FTI Consulting LLP ("FTI"), as the UK administrator for LumiraDx, made an initial payment to the Company and the Private Fund of $330.6 million, of which $165.3 million was received by the Company. On 31 October 2024, FTI returned $9.2 million to the Company and $9.2 million to the Private Fund which included the agreed holdback amount under the Roche Sales and Purchase Agreement. On 30 June 2025, FTI returned $409,938 to the Company and $409,938 to the Private Fund. With the addition of cash interest received from LumiraDx as of the end of Q3 2024, this equated to an approximate 98 per cent. recovery rate of invested capital by the Company and the Private Fund. At the end of 2024, the Company and the Private Fund received LumiraDx's share ownership of LumiraDx's Colombian subsidiary, which they are actively seeking to sell. If the Company and the Private Fund were to receive the current fair value of the Colombian subsidiary, this would equate to an approximate 102 per cent. recovery rate.[3]

Reata

On 5 May 2023, the Company and the Private Fund, entered into a senior secured term loan agreement for up to $275 million with Reata Pharmaceuticals Inc. ("Reata") originally due to mature in May 2028. Tranche A of $75 million was funded at closing. Tranche B of $50 million and Tranche C of $75 million were required to be drawn after achieving certain performance-based milestones, and Tranche D of $75 million was available at the Company's discretion after achieving certain sales-based milestones. The loan bore interest at 3-month SOFR plus 7.5 per cent. (subject to a 2.5 per cent. floor). There was also a 2 per cent. additional consideration upon each draw. The interest only period for the loan was for 3 years but could have been extended to 4 years if trailing twelve-month sales were greater than $250 million. The Company's share of the transaction was $137.5 million of which $37.5 million was funded at closing. On 10 July 2023, the Company funded Tranche B of the Reata loan for $25 million. On 28 July 2023, Inc. ("Biogen") Biogen announced a proposed acquisition of Reata for an enterprise value of approximately $7.3 billion. The acquisition closed on 29 September 2023. As of the acquisition closing date, the Company received prepayments including $15.5 million in prepayment and make-whole fees. In April 2024, the Company and the Private Fund filed a lawsuit in New York courts against Biogen and Reata with respect to a dispute about fees payable under the terms of the loan agreement. In April 2025, the parties entered into a settlement agreement, representing the final resolution of this dispute. The Company received an additional gross $8.5 million in revenue from this settlement payment. The Company and its subsidiaries earned a 158.0 per cent. gross internal rate of return[1] and 126.4 per cent. net internal rate of return[2] on its Reata investment.

Coherus

On 5 January 2022, the Company and the Private Fund entered into a senior secured loan agreement for up to $300 million with Coherus BioSciences, Inc. ("Coherus"), a biopharmaceutical company building a leading immunooncology franchise funded with cash generated by its commercial biosimilars business. Coherus drew down $100 million at closing, another $100 million on 31 March 2022, and an additional $50 million on 14 September 2022. The remaining $50 million commitment, of which the Company's share was $25 million, lapsed so there were no additional funding commitments. The Company, through its subsidiary, funded $125 million across the first three tranches. The loan would have matured in January 2027 and bore interest at 3-month SOFR plus 8.25 per cent. per annum subject to a 1 per cent. floor along with a one-time additional consideration of 2 per cent. of the total loan amount paid at funding of the first tranche. On 1 April 2024, Coherus prepaid $87.5 million of its balance to the Company and the Company received $31 million of accrued interest, additional consideration, and prepayment and make-whole fees. On 10 May 2024, Coherus repaid its remaining $37.5 million balance to the Company and the Company received $2.3 million of accrued interest and prepayment and make-whole fees. The Company and its subsidiaries earned a 16.7 per cent. gross internal rate of return[1] and 13.3 per cent. net internal rate of return[2] on its Coherus investment.

ImmunoGen

On 6 April 2023, the Company and the Private Fund entered into a senior secured loan agreement with ImmunoGen, Inc. ("ImmunoGen") for up to $125 million. ImmunoGen drew down $75 million at closing on 6 April 2023. The Company, through its subsidiary, funded $37.5 million. The loan would have matured in April 2028 and bore interest at SOFR plus 8 per cent. (subject to a 2.75 per cent. floor), with an additional consideration of 2 per cent. of the total loan amount. On 30 November 2023, AbbVie announced it had entered into a agreement to acquire ImmunoGen, Inc. The ImmunoGen investment was marked up by $10.7 million as of 31 December 2023 to account for the discounted value of the expected prepayment and the make-whole fees. The ImmunoGen repayment was accompanied by prepayment and make-whole fees totaling $13.1 million. On 12 February 2024, ImmunoGen repaid its remaining $37.5 million balance to the Company and the Company received $13.2 million of accrued interest, additional consideration, and prepayment and make whole fees. The Company and its subsidiaries earned a 60.2 per cent. gross internal rate of return[1] and 48.2 per cent. net internal rate of return[2] on its ImmunoGen investment.

Akebia

On 11 November 2019, the Company and the Private Fund entered into a senior secured term loan agreement for up to $100 million with Akebia Therapeutics, Inc. ("Akebia"), a fully integrated biopharmaceutical company focused on the development and commercialisation of therapeutics for people living with kidney disease. Akebia drew down $80 million at closing and an additional $20 million on 10 December 2020. The Company, through its subsidiary, funded $50 million across

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[2] Net IRR is set forth in the Glossary, refer to page 99. Past performance is not an indication of future performance.

both tranches. The loan would have matured in November 2024 and bore interest at LIBOR plus 7.5 per cent. per annum along with a one-time additional consideration of 2 per cent. of the total loan amount paid at funding. The Akebia loan began amortising in September 2022. On 29 January 2024, Akebia prepaid the remaining $17.5 million of the balance that was due to amortise to the Company and the Company received $87,500 in prepayment fees. The Company and its subsidiaries earned a 11.4 per cent. gross internal rate of return[1] and 9.1 per cent. net internal rate of return[2] on its Akebia investment.

Collegium 2022

On 14 February 2022, the Company and the Private Fund provided Collegium ("Collegium 2022"), a biopharmaceutical company focused on developing and commercialising new medicines for responsible pain management, with a commitment to enter into a new senior secured term loan agreement for $650 million. On 22 March 2022, proceeds from the new loan were used to fund Collegium's acquisition of BDSI as well as repay the outstanding debt of Collegium and BDSI. At closing, the Company, through its subsidiary, invested $325 million in a single drawing. The four-year loan would have had $100 million in amortisation payments during the first year and the remaining $550 million balance would have amortised in equal quarterly installments. The loan would have matured in March 2026 and bore interest at 3-month LIBOR plus 7.50 per cent. per annum subject to a 1.20 per cent. floor along with a one-time additional consideration of 2 per cent. of the loan amount paid upon signing and a one-time additional consideration of 1 per cent. of the loan amount paid at funding. On 23 June 2023, the Company and the Private Fund entered into an amendment which modified the loan interest rate to 3-month SOFR plus 7.50 per cent. with a SOFR adjustment of 0.26161 per cent. On 28 July 2024, the Company and the Private Fund refinanced the Collegium 2022 loan in full, among other things, to modify the amortisation of the then outstanding balance of $320.8 million, provide a second tranche of up to $325 million to be drawn upon the closing of an acquisition (40 per cent. of that to be invested by the Company) and modify the terms reducing the coupon to 3-month SOFR plus 4.50 per cent. per annum subject to a SOFR floor of 4 per cent.

The Company and its subsidiaries earned a 14.3 per cent. gross internal rate of return[1] and 11.5 per cent. net internal rate of return[2] on its Collegium 2022 investment.

UroGen 2022

On 7 March 2022, the Company and the Private Fund entered into a senior secured loan agreement for up to $100 million with UroGen ("UroGen 2022"), a biopharmaceutical company dedicated to creating novel solutions that treat urothelial and specialty cancers. UroGen drew down $75 million at closing and the remaining $25 million on 16 December 2022. The Company, through its subsidiary, funded $50 million across the two tranches. The loan would have matured in March 2027 and bore interest at 3-month SOFR plus 8.25 per cent. per annum subject to a 1.25 per cent. floor along with a one-time additional consideration of 1.75 per cent. of the total loan amount paid at funding of the first tranche and a one-time additional consideration of 1.75 per cent. of each remaining tranche will be paid at funding as long as certain milestones are met. On 29 June 2023, the Company and the Private Fund entered into an amendment which modified the loan interest rate to 3-month SOFR plus 8.25 per cent. and an additional per annum rate of 0.26161 per cent. On 13 March 2024, the UroGen loan was refinanced in full. The Company and its subsidiaries earned a 14.5 per cent. gross internal rate of return[1] and 12.0 per cent. net internal rate of return[2] on its UroGen 2022 investment.

Insmed 2022

On 19 October 2022, the Company and the Private Fund entered into a senior secured loan agreement for $350 million with Insmed ("Insmed 2022"), a biopharmaceutical company focused on treating patients with serious and rare diseases. The Company, through its subsidiary, funded $140 million of the $350 million loan on 19 October 2022. Insmed had elected the option to accrue 50 per cent. of their interest due from closing through 30 September 2024 as a PIK. The loan would have matured in October 2027 and bore interest at a rate based upon the 3-month SOFR plus 7.75 per cent. per annum subject to a SOFR floor of 2.50 per cent. with a one-time additional consideration of 2 per cent. of the total loan amount paid at funding. On 31 October 2024, the Insmed loan was refinanced in full. The Company and its subsidiaries earned a 14.7 per cent. gross internal rate of return[1] and 11.8 per cent. net internal rate of return[2] on its Insmed 2022 investment.

Immunocore

On 8 November 2022, the Company and the Private Fund entered into a senior secured loan agreement for up to $100 million with Immunocore Limited ("Immunocore"), a biopharmaceutical company focused on developing a novel class of TCR bispecific immunotherapies designed to treat a broad range of diseases, including cancer, infectious diseases and autoimmune diseases. The Company, through its subsidiary, funded $25 million of the first tranche of $50 million on 8 November 2022. The remaining $50 million Tranche B commitment, of which the Company's share was $25 million, expired without being drawn. On 30 June 2024, Immunocore paid $625,000 to the Company in additional consideration on the expiration of Tranche B. Tranche A was due to mature in November 2028 and bore interest at 9.75 per cent. per annum along with an additional consideration of 2.50 per cent. paid at funding. On 8 November 2024, Immunocore repaid the remaining $25 million and the Company received $1.1 million in accrued interest and prepayment fees. The Company and its subsidiaries earned a 14.6 per cent. gross internal rate of return[1] and 11.7 per cent. net internal rate of return[2] on its Immunocore investment.

Market Analysis

The life sciences industry is expected to continue to have substantial capital needs during the coming years as the number of products undergoing clinical trials continues to grow. All else being equal, companies seeking to raise capital are generally more receptive to non-dilutive debt financing alternatives at times when equity markets are soft, increasing the number and size of fixed-income investment opportunities for the Company, and will be more inclined to issue equity or convertible bonds at times when equity markets are strong. A good indicator of

[1] Gross IRR is set forth in the Glossary, refer to page 99. Past performance is not an indication of future performance.

[2] Net IRR is set forth in the Glossary, refer to page 99. Past performance is not an indication of future performance.

the life sciences equity market is the New York Stock Exchange Biotechnology Index ("BTK Index"). While there was some volatility in the first half of 2025, the BTK index increased 31 per cent. during 2025 compared to 6 per cent. during 2024.[3] Global equity issuance by life sciences companies during 2025 was $61.5 billion, a 6 per cent. increase from the $58.3 billion issued during 2024.[3] Similarly, the upturn in the life sciences equity markets was reflected in increased convertible bond issuance by life sciences companies; issuances increased to $7.7 billion in 2025 from $4.4 billion in 2024.[3] We anticipate 2026 equity and convertible bond issuance to remain comparable to 2025 levels which should continue to support appetite for non-dilutive debt during 2026. Acquisition financing is an important driver of capital needs in the life sciences industry in general and a source of investment opportunities. An active M&A market helps drive opportunities for investors such as the Company, as acquiring companies need capital to fund acquisitions. Global life sciences M&A volume during 2025 was $120.1 billion, a 9 per cent. decrease from the $131.3 billion witnessed during 2024,[3] driven by the volatility in the equity markets and uncertainty particularly in the first half of the year. We are encouraged by the number of M&A opportunities that are starting to build up, which should lead to a more active market in the near term.

Pricing and regulatory outlook

A significant portion of the revenues from borrowers in the portfolio come from sales which are reimbursed by various US government entities that are highly regulated. While we currently do not expect major changes to how these entities will continue to reimburse for the cost of these drugs, we cannot predict whether the US administration will seek to make changes that may affect the sales of these products. No regulatory changes in 2025 were considered by Pharmakon to have a material effect on the portfolio's performance.

USD SOFR

The Company has seven loans with coupons that reference 3-month USD SOFR and one loan that references 1-month USD SOFR. Three loans have a 3.50 per cent. SOFR floor or greater and five have a floor ranging from 2.25 per cent. to 3.25 per cent. As of 31 December 2025, the 1-month and 3-month SOFR was 3.69 per cent. and 3.66 per cent. respectively, above the floors in the eight loans. As of the report date, two loans have triggered the SOFR floor.

International outlook

The invasion of Ukraine by Russia and the war between Israel and Hamas has led to increased market volatility and widespread sanctions on Russian and Israeli assets and individuals, contributing to the high inflation introduced by the pandemic. While the portfolio has no direct exposure in Russia, Ukraine or Iran and has limited manufacturing exposure in Israel. We remain vigilant in monitoring this major event closely and will inform investors of any material changes.

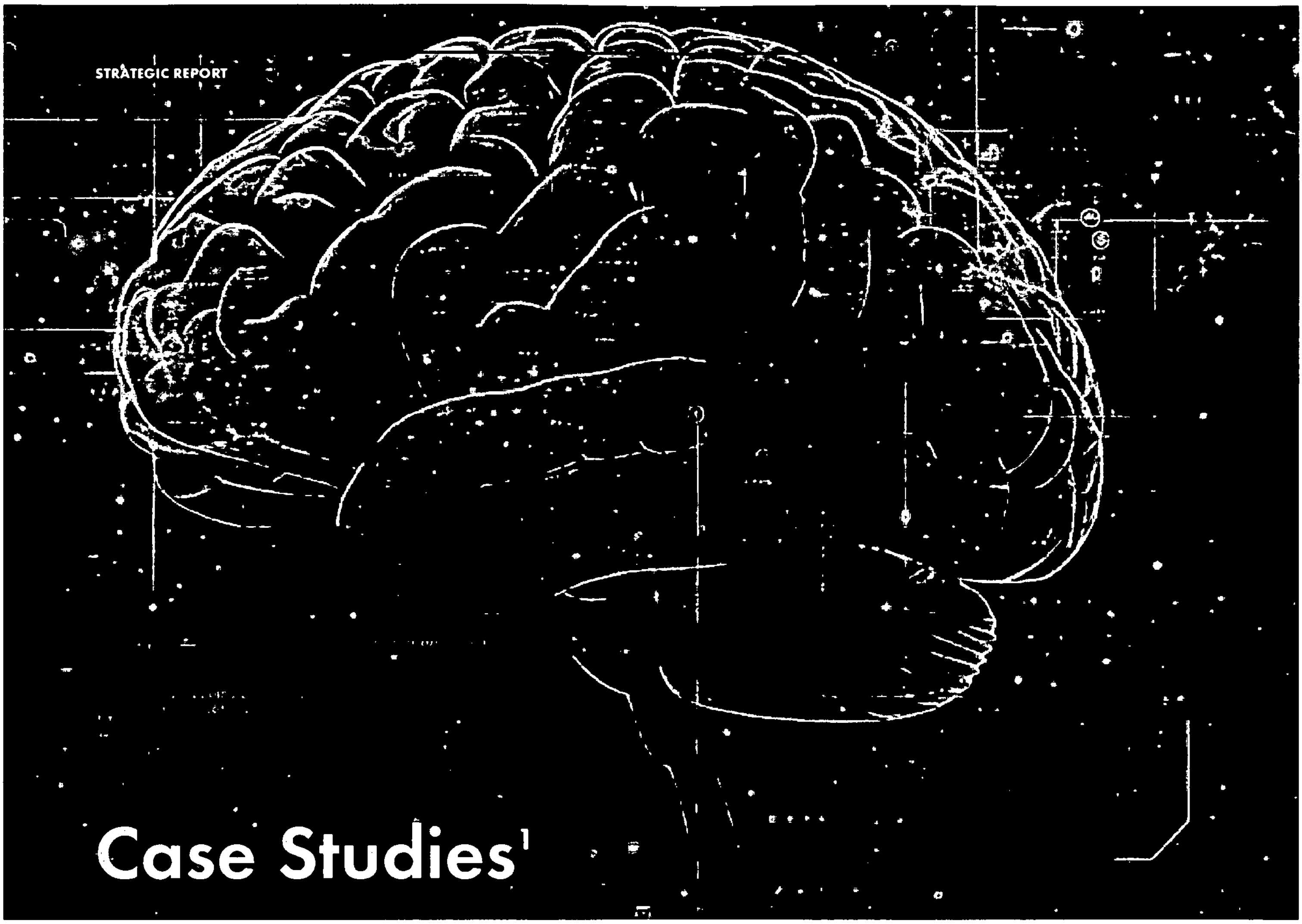
Investment outlook

We recognize that the company's cash balance is larger than the usual at year end as a result of the Collegium repayment in December. We continue to expect our investment pipeline to grow as new products and companies enter the market in 2026 and beyond. Pharmakon's extensive network and thorough approach will continue to identify strong investment opportunities. We remain focused on our mission of creating the premier dedicated provider of debt capital to the life sciences industry while generating attractive returns and sustainable income to investors.

Although the global economic outlook remains uncertain, Pharmakon remains confident of its ability to deliver its target dividend yield to its investors.

Pedro Gonzalez de Cosio
Co-Founder and CEO, Pharmakon
23 March 2026

[1] Gross IRR is set forth in the Glossary, refer to page 99. Past performance is not an indication of future performance.
[2] Net IRR is set forth in the Glossary, refer to page 99. Past performance is not an indication of future performance.
[3] Source: Factset



Case Studies[1]

The following pages are Case Studies of three new investments the Company entered into during the second half of 2025. We are proud that these investments help to bring new life sciences products to market and help patients globally.

[1] Case studies are presented for illustrative purposes only, have been selected in order to provide examples of the types of investments made by the Company and do not purport to be a complete list thereof. It should not be assumed that investments made in the future will be comparable in quality or performance to the investments described herein. Certain information in the case studies is based on the Company's and the Investment Manager's due diligence at the time of investment, and/or analysis and opinions of the Company, the Investment Manager and/or the borrower regarding economic conditions and borrower initiatives, plans and opportunities. References to the investments included in the case studies should not be construed as a recommendation of any particular investment or security. See page 7 for a complete list of current investments by the Company.

Case Study – Precigen

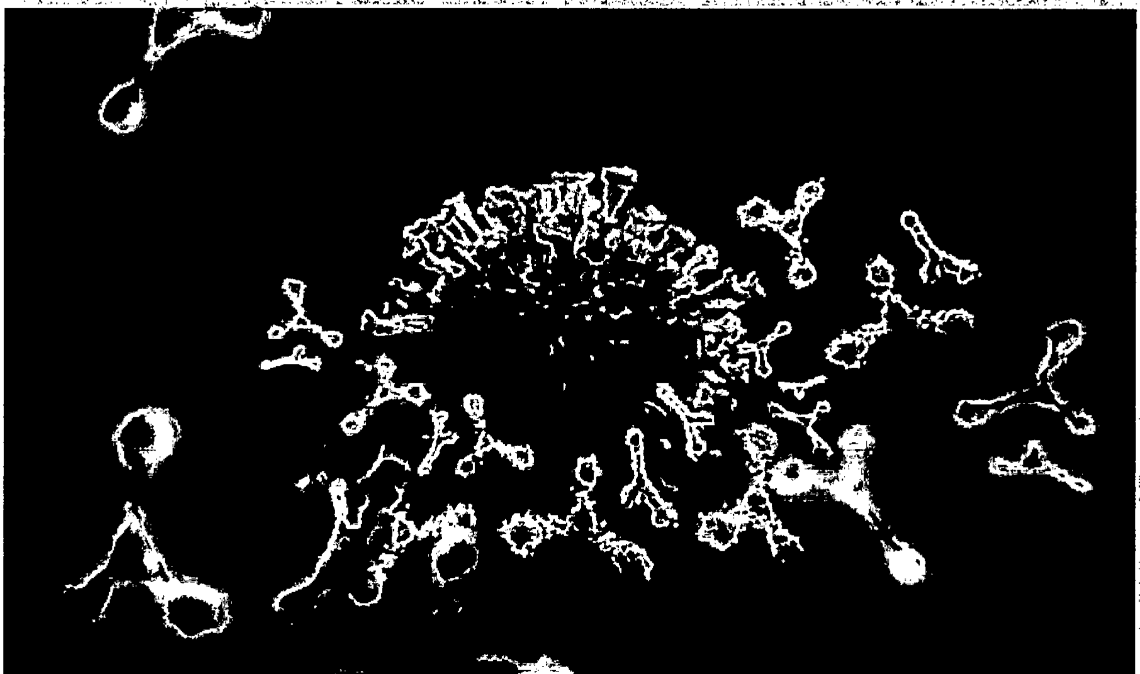
PRECIGEN

PRECIGEN

Precigen is a commercial-stage biopharmaceutical company dedicated to advancing the next generation of gene and cell therapies using precision technology to target the most urgent and intractable diseases.

Precigen's lead asset, Papzimeos (zopapogene imadenovec-drba), is the first and only FDA-approved therapy for the treatment of adults with Recurrent Respiratory Papillomatosis (RRP), an indication that limits quality of life and requires repeated risky surgeries near the voice box. It is a non-replicating adenoviral vector-based immunotherapy designed to express a fusion antigen comprising selected regions of Human papillomavirus (HPV) types 6 and 11 proteins. It is delivered through four subcutaneous injections over a 12-week interval.

Papzimeos received full approval in the U.S. on 14 August 2025. In clinical trials, Papzimeos demonstrated a 51 per cent. Complete Response ("CR") at 1 year and 43 per cent. CR at 2 years. 86 per cent. of patients achieved a partial response at 1 year. The label contained no black box warnings, no adverse events above Grade 2, no Risk Evaluation and Mitigation Strategies ("REMS") requirements, and no contraindications. RRP is a well-defined condition estimated to affect ~27,000 patients in the U.S.



Source: *Precigen*

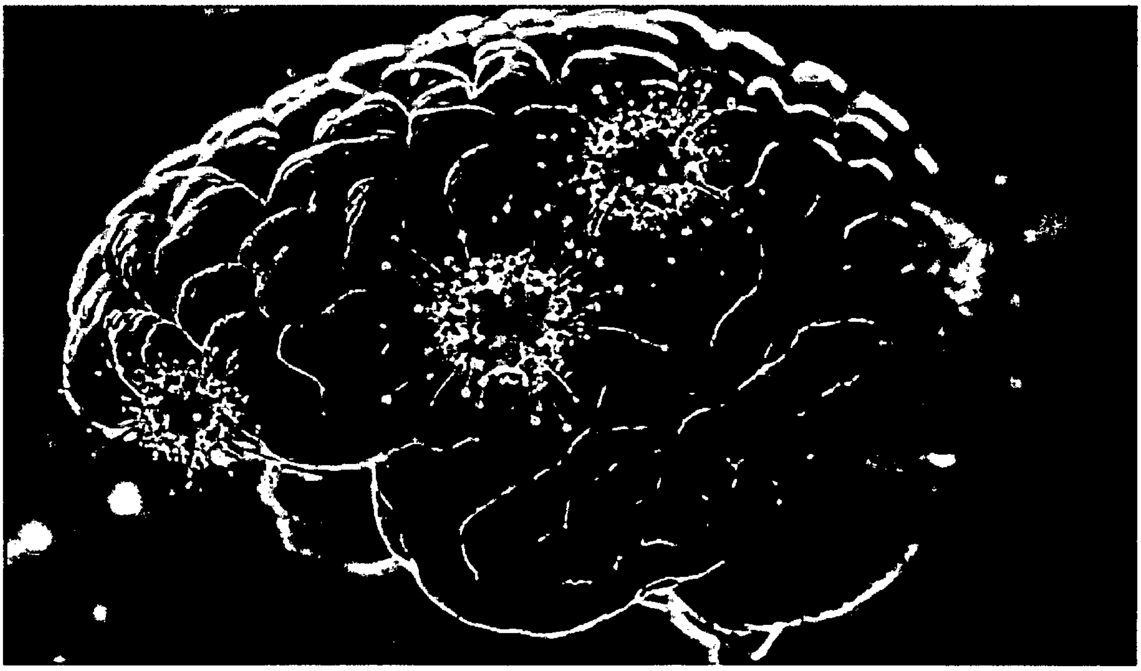
Case Study – Valneva

VALNEVA

Valneva is a specialty vaccine company developing vaccines for the treatment of infectious diseases in high unmet areas focusing on providing first-in-class or best-in-class vaccines.

Valneva currently markets three travel vaccines globally, including Ixiaro, Dukoral and Ixchiq. Ixiaro is an inactivated vero cell culture-derived vaccine indicated for immunization against Japanese encephalitis in adults and children 2+, approved in 2019 and marketed in the U.S., Europe, and Canada. Dukoral is an oral vaccine for the prevention of diarrhea caused by Vibrio cholera, and in certain instances, for ETEC, approved in 2003 and marketed in the EU, Canada, Australia, New Zealand, and Thailand. Ixchiq is a single-dose, live-attenuated vaccine for the prevention of chikungunya virus approved in 2024 and marketed in EU and Canada.

In addition to its current portfolio of products, Valneva is conducting a pivotal Phase 3 clinical trial in Lyme disease in partnership with Pfizer. It is the most clinically advanced Lyme disease vaccine program worldwide.



Source: Valneva

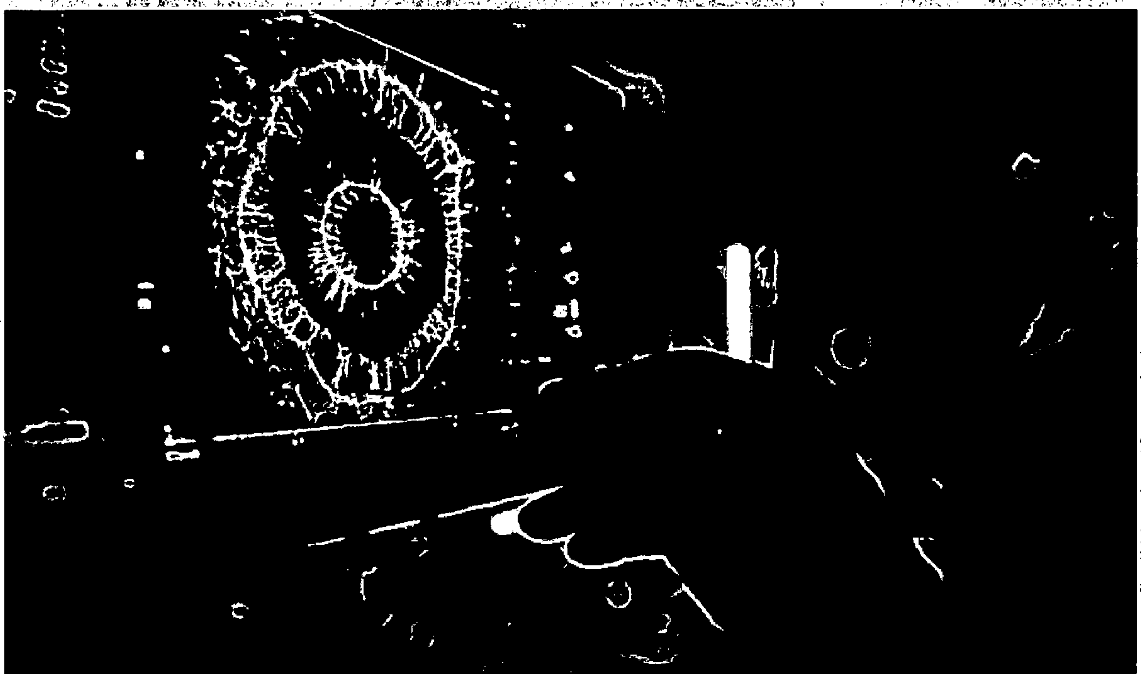
Case Study – Harrow

HARROW

Harrow is a leading provider of ophthalmic disease management solutions in the U.S., marketing a portfolio of products used to treat conditions of both the front and back of the eye.

Harrow's branded ophthalmology platform is anchored by Vevye, Iheezo, and Triescence. Vevye is the first and only water-free cyclosporine solution for dry eye disease approved in the U.S. in 2024. Key benefits include its class-leading rapid onset, the durability of effect, and high tolerability. Iheezo is a chloroprocaine solution approved in the U.S. for ocular surface anesthesia. It was approved in 2023 and is the first branded ocular anesthetic approved in the U.S. in 15 years. Triesence was relaunched in 2024 following 5 years on the FDA shortage list. It is a triamcinolone acetonide for visualization during vitrectomy. It is the only FDA-approved, preservative-free synthetic corticosteroid with separate reimbursement in all traditional care settings.

In addition to the branded products Harrow sells, the Company owns ImprimisRx which is the leading U.S. ophthalmic-focused compounding pharmacy. ImprimisRx has over 15,000 customers and dispensing capabilities in all 50 states. Harrow recently added Byooviz and Opuviz to their product portfolio via acquisition from Samsung Bioepis. The products are anti VEGF biosimilars for wAMD, RVO, DME, and mCNV.



Source: Harrow

Pharmakon's ESG Policy

The purpose of this policy is to set out Pharmakon's approach to integrating the consideration of environmental, social, and governance ("ESG") risks and value creation opportunities into investments made through our credit facilities with companies and within our own business operations.[1]

INTRODUCTION

Founded in 2009, Pharmakon Advisors, LP is the investment manager of the BioPharma Credit funds, which provide debt capital to companies in the life sciences, including those developing biopharmaceuticals and vaccines. We are proud that a significant portion of our past and current investments support clinical trials, research, and the development of innovative therapies and vaccines that benefit patients suffering from a wide range of serious diseases, including various forms of cancer, rare (orphan) diseases such as Pompe, Fabry, Cushing's, Duchenne Muscular Dystrophy, Sickle Cell Disease, Friedreich's Ataxia, and Bronchiectasis, as well as vaccines for infectious diseases such as Japanese encephalitis, cholera and enterotoxigenic E. coli, and chikungunya. Through our financing activities, we help increase the number of life sciences products and preventive vaccines available to patients globally, improving global health outcomes.

Based in New York, Pharmakon has a small but diverse and highly specialized team of fourteen professionals focused on responsibly investing and safeguarding the capital of our clients. As debt investors, we believe that consideration of the material ESG factors applicable to our industry is critical to our credit underwriting process. Systematic integration of these considerations combined with our engagement activities helps us reduce the overall credit risk of our portfolios and enhances our analysis. We provide competitively priced capital to a growing number of emerging life sciences companies on the forefront of developing lifesaving and lifechanging therapies to positively impact and improve human health.

1 Any ESG or impact, targets, programs, commitments, incentives, initiatives, or benefits referenced on the following pages are not being promoted to investors and do not bind any investment decisions or the management or stewardship of any funds managed by the Investment Manager for the purpose of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector unless otherwise specified in the relevant fund documentation or regulatory disclosures. Any measures implemented in respect of such targets, programs, commitments, incentives, initiatives, or benefits may not be immediately applicable to the investment of any funds managed by the Investment Manager and any implementation can be reconsidered at the Investment Manager's sole discretion.

$2.2bn
assets under management as at 31 December 2025[1]

$10.5bn
committed since 2009 as at 31 December 2025[1]

75
clinical trials being funded by our partners as at 31 December 2025[1]

71%
of the portfolio backed by treatments for orphan diseases as at 31 December 2025[1]

$1.5bn
in R&D invested by our current partners during 2025[1]

[1] Including the private fund.

Pharmakon further recognizes that ESG issues may affect performance of portfolio investments and, furthermore, that the effective management of ESG issues may contribute positively to returns through alignment of interests of fund investors, the general partner, portfolio company management teams, employees, and other key stakeholders.

Pharmakon considers material ESG issues during its due diligence and in the monitoring of portfolio investments to the extent reasonably practical under the circumstances. It does this subject to the provisions of the credit agreements, and to the duty of Pharmakon to seek to maximize the returns on investment for BioPharma Credit funds.

SCOPE (WHAT DOES ESG MEAN TO PHARMAKON?)

For the purposes of this policy, "material" ESG issues are defined as those issues that Pharmakon, in its sole discretion, determines have or have the potential to have a direct substantial impact on an organization's ability to create, preserve, or enhance economic value, as well as environmental and social value for itself and its stakeholders.

The policy is intended to reflect our general framework for managing ESG issues through the lifecycle of an investment across Pharmakon's investment management business. As a debt investor, Pharmakon's ability to influence its portfolio companies is less than that of an equity investor. However, Pharmakon conducts ESG diligence on its borrowers in connection with potential investments, during the cycle of its loans, and actively updates its process on how to continue monitoring ESG issues in connection with its investments. As pertinent matters arise, Pharmakon engages in constructive dialogue with borrowers as to relevant ESG issues.

Examples of material issues are those that involve violations of human rights, irresponsible treatment of the natural environment or other non-ethical business conduct. More specifically, and as of the date of approval of this policy, Pharmakon currently focuses on the following factors within our definition of ESG:

Environmental

- GHG Emissions
- Green Building Standards
- Handling Hazardous Materials
- Waste Creation & Management
- Responsible Vendor Management

Social

- Labour Practices
- Patient Impact
- Cyber Security
- Employee Engagement
- Diversity
- Job Growth and Turnover
- Supporting Communities and Research

Governance

- Risk Management
- IP Protection
- Compliance with Regulatory Standards (i.e., FDA)
- Board
- Purpose & Affiliations

Pharmakon's approach to ESG will be adjusted according to the needs and expectations of its stakeholders. Although we currently align ourselves with certain environmental and social concerns we will modify and improve upon our focus to maximise the needs and expectations of our stakeholders with the aim of creating long-term stakeholder value and drive toward impactful results. Pharmakon is conscious that the ultimate success of our ESG initiative will depend on periodic reviews to ensure adherence and seek ways to continuously make improvements. We believe that all employees are stakeholders in the success of Pharmakon's ESG initiative and should be actively engaged in its design and compliance.

We are grateful to the Principles for Responsible Investing (PRI) and the United Nations Department of Economic and Social Affairs.

Our policies and operational ESG strategy have been developed with their principles in mind and continues to be influenced by their guidance.

- PRI's Six Core Principles
- 17 Sustainable Development Goals ("SDGs")—United Nations Department of Economic and Social Affairs

In addition, Pharmakon is a signatory to the New Commitment to Patients signed in January 2020 by 215 biopharma CEOs and industry leaders who recognize that (a) "we have a moral obligation to develop the best medicines and ensure that every person who may benefit has access to them" and (b) "that we need to ensure that we act with the highest integrity and corporate responsibility—always putting the interests of patients first". The full text can be found at:

https://www.statnews.com/2020/01/08/new-biotechnology-pharmaceutical-industry-commitment-patients-public/

Pharmakon is also a corporate sponsor for Life Science Cares, which is an organization that was founded in 2016 by a consortium of life science executives which strives to leverage the financial and human capital of the life sciences industry, and partners with nonprofits, to disrupt the cycle of poverty and inequality in communities. More information can be found at:

https://lifesciencecares.org/.

We believe that our environmental, social and governance strategy, policies and practices will create sustainable long-term value for our Company, our employees, our investors and other stakeholders, while also helping us reduce risk and identify new opportunities.

HIGHLIGHTS OF OUR ESG EFFORTS

- ESG-informed investment processes
- Contributions to multiple SDGs
- Focus on human capital and Diversity, Equity and Inclusion (DEI)
- Commitment to philanthropy
- Independent board and fund advisory committee
- Plans to reduce environmental footprint

DELIVERING FOR PARTNERS, PATIENTS, AND SOCIETY

By delivering value for our partners and their patients, we contribute positively to multiple SDGs, including those that focus on expanding health access and opportunity. While our work touches many SDGs, we focus on those where we can have the greatest impact based on our business, strategy and expertise. More specifically, those are SDG-3 on Good Health and Well-Being; SDG-9 on Industry, Innovation, and Infrastructure; SDG-10 on Reduced Inequality; and SDG-17 on Partnerships for the Goals.

PHARMAKON'S COMMITMENT TO ESG

Pharmakon on behalf of itself, its employees, and its clients, is committed to the consideration of ESG issues in connection with its investment activities.

THE ROLE ESG PLAYS IN PHARMAKON'S OWN OPERATIONS ENVIRONMENT

Pharmakon is focused on reducing its environmental footprint. Though the majority of Pharmakon's direct impact on the environment comes from daily office-based activities, we are dedicated to protecting the planet. Pharmakon supports sustainable business practices, and we hope to build on internal sustainability program as we prioritise our own local footprint.

Pharmakon aims to engage all of its employees in managing the environmental impact of our business. Employees will regularly be encouraged to participate in environmental awareness, training and initiatives, including unrestricted access to this ESG policy. Environmental considerations are also incorporated across our partner network. For investment, environmental criteria are reviewed in the due diligence process when appropriate. Pharmakon also seeks to partner with organisations that promote strong environmental practices.

Appendix II (Environmental Policy) of this policy contains expanded detail on the environmental policy for internal operations.

Social

The people and culture of Pharmakon are the primary factor in our success. We strive to continually support the health, well-being, and growth of our employees. To build a high-performing, diverse team, we seek to foster an inclusive environment that stays true to our core values – even as we continue to grow. Pharmakon maintains and strengthens our social and human capital policies and practices. This includes attracting, retaining, and developing top talent and fostering a highly engaged, team-oriented culture with an owner operator mindset. Our commitment to social responsibility also includes promoting diversity, equity, and inclusion, as well as engaging and developing our employees. Pharmakon keeps track of its efforts to promote diversity, equity, and inclusion, including an annual review by the CEO during meetings of the ESG committee, and Pharmakon highlights the importance of such factors when working with any professional recruiters as it grows its team. Pharmakon will strive to maintain and adhere to our Diversity & Inclusion Policy, Employee Handbook, and Human Rights Statement. Additionally, Pharmakon aims to transform patient lives globally through supporting various communities. We support our communities through philanthropy, such as by being a sponsor for Life Science Cares, by engaging on critical health and social needs to promote access to health care and health equity because we believe everyone should have the opportunity to attain their highest level of health. Pharmakon also supports the development of young students by providing internships and mentorship to college age individuals who are interested in learning about investing in the life sciences.

Governance

Risk management, compliance and high ethical standards are foundational to our culture. One of Pharmakon's most valuable assets is our reputation for integrity, professionalism, fairness and good stewardship. Our strong corporate governance program, from board and advisory committee oversight to robust management practices, aligns the interests of our stakeholders and underpins our market-leading position and the high esteem with which we are held in the life sciences industry.

Governance Highlights

- BioPharma Credit PLC has a 100% independent board
- Executive-level oversight of ESG
- CEO led Investment Manager ESG committee responsible for ESG strategy and disclosure
- ESG committee meets on no less than a quarterly basis
- 100% of employees participate in ESG related strategy and implementation
- Robust governance policies and practices
- Culture of compliance and accountability
- Additional ethical safeguards include our whistleblower policy
- 100% of employees receive and are expected to sign the Employee Handbook
- 100% of employees participate in compliance and ethics training, and cybersecurity training
- 100% of employees and investors have access to grievance channels

Pharmakon will make commercially reasonable efforts to remain reasonably informed on ESG best practices and the development of ESG. Pharmakon will aim to review the ESG policy on an annual basis.

DIVERSITY AND INCLUSION

We believe that we will only succeed in our goals if we are able to attract and retain individuals of diverse backgrounds. Our success relies on creating an inclusive environment where all of our employees can do their best work, and where each can play a vital role in achieving our collective goals. Pharmakon is committed to working to continuously develop an organization that is diverse, equitable and inclusive. Our goal is to provide every team member with the ability to achieve success within an equitable work environment and to encourage our teams to leverage diversity to drive innovation and performance. The current makeup of our employee base is representative of our commitment to diversity:

Current employees:	**15**
Any other ethnic group	**50.0%**
White	**35.7%**
Asian or Asian British	**14.3%**
Male	**78.6%**
Female	**21.4%**
Average tenure	**5 years**
12-month turnover	**0%**

Pharmakon is conscious that the ultimate success of our ESG initiative will depend on periodic review to ensure adherence and seek ways to continuously make improvement. We believe that all employees are stakeholders in the success of Pharmakon's ESG initiative and should be actively engaged in its design and compliance.

Strategic Overview

BUSINESS MODEL

The Company's business model follows that of an externally managed investment trust. The Company does not have employees and outsources all its functions to third-party service providers, including the Investment Manager, Pharmakon Advisors LP, who is the Company's principal service provider. Subject to the overall supervision of the Board, the Investment Manager has responsibility for decisions relating to the day to day running of the Company and the active investment management of the debt assets and all other investments. Further details on the terms of the management agreement are set out on page 33.

INVESTMENT OBJECTIVE

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

INVESTMENT POLICY

The Company will seek to achieve its investment objective predominantly through direct or indirect exposure to Debt Assets, which include Royalty Investments, Senior Secured Debt, Unsecured Debt and Credit Linked Notes.

DIVIDEND POLICY

The Company aims to generate long-term shareholder returns, predominantly in the form of sustainable income distributions from its investments in the life sciences industry. The Company currently pays[1], and continues to target, a 7-cent base annual dividend per ordinary share in four quarterly payments of 1.75 cents per share. Typically, these are supplemented by excess income in the form of special dividend distributions in Q4 and in some years, Q3 and Q4, where the Board determines that it is appropriate and able to do so (noting the requirement to pay out substantially all income to maintain the Company's investment trust status).

THE COMPANY MAY ACQUIRE DEBT ASSETS:

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

The Company may also invest in equity issued by a LifeSci Company, acquired directly from the LifeSci Company or in the secondary market. "Debt Assets" will typically comprise:

- Royalty debt instruments
  Debt issued by a Royalty Owner where the Royalty Owner's obligations in relation to the Debt are secured as to repayment of principal and payment of interest by Royalty Collateral.

- Priority royalty tranches
  Contract with a Borrower that provides the Company with the right to receive payment of all or a fixed percentage of the future royalty payments receivable in respect of a Product (or Products) that would otherwise belong to the Borrower up to a fixed monetary amount or a pre-set rate of return, with such royalty payment being secured by Royalty Collateral in respect of that Product (or Products).

- Senior secured debt
  Debt issued by a LifeSci Company, and which is secured as to repayment of principal and payment of interest by a first priority charge over some or all of such LifeSci Company's assets, which may include: (i) Royalty Collateral; or (ii) other intellectual property and marketing rights to the Products of that LifeSci Company.

- Unsecured debt
  Debt issued by a LifeSci Company which is not secured or is secured by a second lien on assets of the Borrower.

- Credit linked notes
  Derivative instruments referencing Debt Assets, being a synthetic obligation between the Company and another party where the repayment of principal and/or the payment of interest is based on the performance of the obligations under the underlying Debt Assets.

[1] Past performance is not an indication of future performance.

"Royalty Collateral" means, with respect to a Debt Asset, (i) future payments receivable by the Borrower on a Product (or Products) in the form of royalty payments or other revenue sharing arrangements; or (ii) future distributions receivable by the Borrower based on royalty payments generated from a Product (or Products); or (iii) both (i) and (ii)"Debt" includes loans, notes, bonds and other debt instruments and securities, including convertible debt, and Priority Royalty Tranches.

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

INVESTMENT RESTRICTIONS AND PORTFOLIO DIVERSIFICATION

The Company will seek to create a diversified portfolio of investments by investing across a range of different forms of Debt Assets issued by a variety of Borrowers. In particular, the Company will observe the following restrictions when making investments in accordance with its investment policy:

- no more than 25 per cent. of the Company's gross assets will be exposed to any single Borrower or investment;
- no more than 35 per cent. of the Company's gross assets will be invested in Unsecured Debt;
- no more than 15 per cent. of the Company's gross assets will be invested in equity securities issued by LifeSci Companies; and
- the Company will invest no more than 10 per cent., in aggregate, of gross asset value at the time of acquisition in other listed closed-ended investment funds.

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

CASH MANAGEMENT

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

HEDGING

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

BUSINESS AND STATUS OF THE COMPANY

The Company is registered in England as a public limited company and is an investment company in accordance with the provisions of Section 833 of the Companies Act 2006.

The principal activity of the Company is to carry on business as an investment trust. The Company intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of Sections 1158/1159 of the Corporation Tax Act 2010 ("S1158/1159"). The Directors do not envisage any change in this activity in the foreseeable future.

The Company has been granted approval from HM Revenue & Customs ("HMRC") as an investment trust under S1158/1159 and will continue to be treated as an investment trust company, subject to there being no serious breaches of the conditions for approval. The Directors are of the opinion that the Company has conducted its affairs for the year ended 31 December 2025 so as to be able to continue to qualify as an investment trust.

The Company has two wholly-owned subsidiaries, BPCR Limited Partnership and BPCR GP Limited, one indirectly wholly-owned subsidiary, BPCR Ongdapa Limited and received its 41 per cent. share ownership of LumiraDx Colombia Holdings Limited ("UK Holdco"), via its subsidiary BPCR Limited Partnership, details of which can be found in Note 14 to the financial statements.

STAKEHOLDER ENGAGEMENT – SECTION 172(1) STATEMENT

OVERVIEW

The Directors' overarching duty is to promote the success of the Company for the benefit of its shareholders, having regard to the interests of its stakeholders, as set out in Section 172(1) of the Companies Act 2006 (the "Act"). The Directors have considered each aspect of this section of the Act and consider that the information set out below is particularly relevant in the context of the Company's business as an externally managed investment company which does not have any employees or suppliers.

The importance of stakeholders is taken into account at every Board meeting. All discussions involve careful consideration of the longer-term consequences of any decisions and their implications for stakeholders.

STAKEHOLDERS

The Board seeks to understand the needs and priorities of the Company's stakeholders and these are taken into account during all its discussions and as part of its decision-making. The Board believes that the Company's key stakeholders comprise its shareholders, clients and service providers. The section below discusses why these stakeholders are considered of importance to the Company and the actions taken to ensure that their interests are taken into account. The Company recognises the importance of maintaining high standards of business conduct and seeks to ensure that these are applied in all of its business dealings and in its engagement with stakeholders. Further information on the impact of the Company's operations on the community and the environment is set out on page 39.

The Company's mechanisms for engaging with its stakeholders are set out below. These are kept under review by the Directors and are discussed on a regular basis at Board meetings to ensure that they remain effective. The Company is an investment trust and has no employees. It has therefore not identified employees as a stakeholder group.

For more information on the purpose, culture and values of the Company, and the processes which the Board has put in place to ensure these are aligned with the Company's strategy, see the Corporate Governance Statement on page 47.

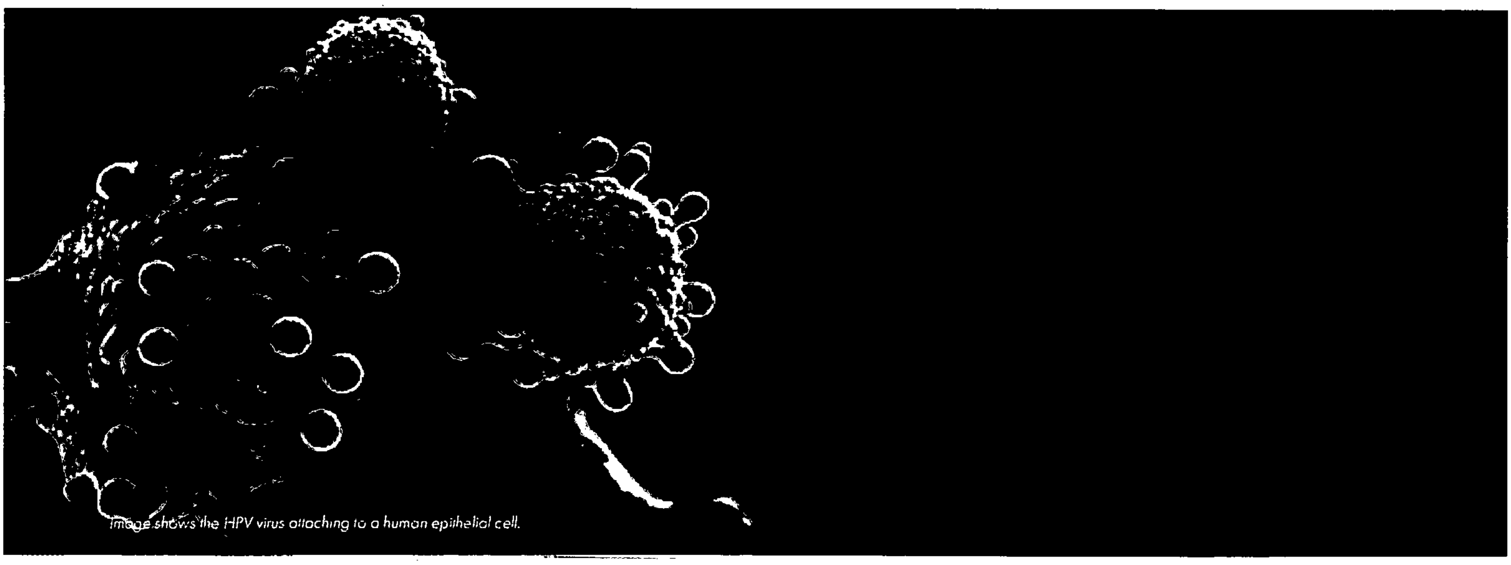


Image shows the HPV virus attaching to a human epithelial cell.

SHAREHOLDERS

Importance

Continued shareholder support and engagement are critical to the existence of the Company and the delivery of its long-term strategy and engagement with shareholders is given a high priority by both the Board and the Investment Manager.

How the Company engages

The Chairman ensures that the Board as a whole has a clear understanding of the views of shareholders by receiving regular updates from the Brokers and Investment Manager. The Investment Manager and the Company's Brokers are in regular contact with major shareholders and report the results of all meetings and the views of those shareholders to the Board on a regular basis. The Investment Manager provides regular investor updates and presentations to shareholders, which the Chairman and the other Directors are available to attend if required.

The Board considers shareholder relations as part of the annual Board performance review process. For further details regarding the Board performance review see pages 50 to 51.

All shareholders are encouraged to attend and vote at annual general meetings, during which the Board and the Investment Manager will be available to discuss issues affecting the Company and answer any questions directly. Further information regarding the 2026 AGM is detailed on page 46.

Shareholders wishing to raise questions or concerns directly with the Chairman, Senior Independent Director or Company Secretary, outside of the AGM, should do so using the contact details provided on page 102.

The Chairman of the Board, Harry Hyman and the Senior Independent Director of the Board, Duncan Budge, consulted with shareholders ahead of the 2025 AGM, regarding the continuation vote, and annually offer shareholders a meeting without the Investment Manager present. Although the Company has been established with an indefinite life, the Articles provide that a continuation vote be put to shareholders periodically. The next continuation vote will be put to shareholders in 2028.

CLIENTS

Importance

The investments made by the Company support the large capital needs of its portfolio companies, supporting their research and development budgets for life sciences products and enabling them to achieve their investment objective.

How the Company engages

The Company's clients are pharmaceutical and biotechnology companies within the life sciences industry to which it provides debt capital. The Investment Manager is highly experienced in this area with a strong track record of meeting the capital needs of its clients. The Investment Manager meets regularly with the management teams of current and prospective investee companies to enhance relationships and to understand their views and capital requirements.

The Investment Manager conducted meetings on 25 March 2025 to discuss the 2024 annual report results and on 22 September 2025 covering the 2025 half-year results. The focus of these meetings included reviewing financial highlights for the periods, providing material portfolio updates, and discussing portfolio valuation. The presentations from these meetings are available on the Company's website.

The Directors receive updates from the Investment Manager on the companies within its investment portfolio at all Board meetings, and outside of meetings as appropriate.

Further information on the Company's engagement with investee companies during the year is set out on pages 6 to 17 and 29.

SERVICE PROVIDERS

Importance

In order to function as an investment trust on the London Stock Exchange, the Company relies on a number of reputable advisers for support in complying with all relevant legal and regulatory obligations.

How the Company engages

The Company's day-to-day operational functions are delegated to a number of third-party service providers, each engaged under separate contracts. The Company's principal service providers include the Investment Manager, Company Secretary, joint Brokers, Administrator, Legal Adviser, Auditor and the Registrar.

The Board keeps the ongoing performance of the Investment Manager under continual review and conducts an annual appraisal of the Investment Manager, along with the performance of all other third-party service providers in December each year. The Board maintains constructive working relationships with the Investment Manager through regular and open conversations at Board meetings, and through monthly update meetings. The Investment Manager has executed the investment strategy according to the Board's expectations and it is the opinion of the Directors that the continuing appointment of Pharmakon, as the Investment Manager, is in the interests of shareholders as a whole.

The Audit and Risk Committee reviews and evaluates the control environments in place at each service provider. Further details regarding the role of the Audit and Risk Committee are set out on pages 52 to 53.

KEY BOARD DECISIONS TAKEN IN THE YEAR

Appointment of new joint corporate broker

During the year, the Board undertook a process to appoint a new corporate broker. In shaping the search, the Board focused on identifying a broker with strong sales capability and extensive connections to prospective investors, to complement the expertise of the existing broker, JPMorgan Cazenove. As an outcome of this process, the Board appointed Investec as joint corporate broker, effective 10 March 2025, to work alongside JPMorgan Cazenove, and to support the diversification and growth of the share register, as well as to improve liquidity and market valuation of the Company.

Capital allocation and dividend approval

The Board continued to oversee the Company's capital allocation, including its approach to dividends and share buybacks. In considering capital allocation decisions, the Board considered the long-term success of the Company for the benefit of all stakeholders, as well as external expectations from shareholders and the need to deliver consistent and predictable shareholder returns. As an outcome of these discussions, the Board approved four dividends for the year ended 31 December 2025, totalling 9.95 cents per share, including two special dividends amounting to 2.95 cents, thereby delivering consistent income to shareholders.

Appointment of Nigel Reynolds

As part of the Board's ongoing commitment to effective succession planning and the continued refreshment of Board composition, the Board undertook a search for a non-executive Director in anticipation of the retirement of Mr Colin Bond. The Board considered the skills and experience required to support the Company's long-term strategy and governance priorities, as well as the attributes required of an effective Audit and Risk Committee Chair. This process resulted in the appointment of Mr Nigel Reynolds as a non-executive Director with effect from 1 January 2026. Mr Reynolds will succeed Mr Bond as Chair of the Audit and Risk Committee following the Company's AGM in June 2026, supporting an orderly transition and ensuring the continued effectiveness of the Board and its Committees.

KEY PERFORMANCE INDICATORS

The Company assesses its performance in meeting its investment objectives using the following Key Performance Indicators ("KPIs"):

NAV PERFORMANCE[1]

The NAV at 31 December 2025 was $1.0192 per Share compared to $0.9963 per Share at 31 December 2024. The dividend yield at 31 December 2025 was 10.9%, including dividends of 9.95 cents, compared to a dividend yield of 11.5%, including dividends of 10.18 cents, in 2024.

A full description of the Company's performance for the year ended 31 December 2025 is included in the Investment Manager's Report on pages 6 to 17.

SHARE PRICE RETURN[1]

The Company's Share price at 31 December 2025 was $0.9160, compared to $0.8840 at 31 December 2024, giving a return for the calendar year of 3.62 per cent.

SHARE PRICE DISCOUNT/PREMIUM TO NAV PER SHARE

Under the terms of the DCM, described in the Company's Prospectuses dated 1 March 2017 and 14 March 2018, if the shares of the Company trade at a discount greater than 5 per cent. over a three-month period (the "First Trigger"), the Company was required to apply up to 50 per cent. of proceeds from debt repayments in purchasing Company shares until such time that the two-week discount is less than 1 per cent. In addition, if the discount is greater than 10 per cent. over a six-month period (the "Second Trigger"), the Company was required to apply up to 100 per cent. of proceeds from debt repayments until such time that the two-week discount is less than 1 per cent. If the Company's shares trade at a discount in excess of 10 per cent. to the net asset value per share over a 12 month rolling period, a general meeting and continuation resolution under the DCM is triggered.

On 7 November 2022, the DCM was updated so that the trigger levels remain at previous levels but provide for greater flexibility as to when the Company can freely deploy capital:

- The First Trigger would remain at a 5 per cent. discount to NAV and the Company would be required to apply 50 per cent. of the principal being returned to repurchase shares until such time that the discount to NAV over a two-week period is less than 5 per cent. (compared with less than 1 per cent. previously).
- The Second Trigger would remain at a 10 per cent. discount to NAV and the Company would be required to apply 100 per cent. of the principal being returned to repurchase shares until such time that the discount to NAV over a two-week period is less than 5 per cent. (compared with less than 1 per cent. previously).

On 27 March 2024, the DCM was updated, in order to enable the Company to participate in future deals. Under the updated DCM, the Company was required to use up to an additional $50 million for the remainder of calendar year 2024, on top of repurchases made in 2024 up until the DCM update, to repurchase shares until such time that the discount to NAV over a two-week period is less than 5 per cent. During 2024, the DCM was triggered, and the Company was required to use its capital to repurchase shares. For the calendar year 2025, the Company used $50.3 million to buy back shares.

ONGOING CHARGES

The Company's ongoing charges ratio is shown in the table below.

	Year ended 31 December 2025 %	Year ended 31 December 2024 %
Ongoing charges excluding performance fee[2]	1.2	1.2
Performance fee	1.3	1.1
Ongoing charges including performance fee	2.5	2.3

DIVIDENDS

Dividend payments totaling 9.95 cents per Ordinary Share, including two special dividends totaling 2.95 cents have been paid in respect to the year ended 31 December 2025. A dividend was paid in respect of the last quarter of 2025 totaling 3.20 cents per Ordinary Share, including a special of 1.45 cents on 20 March 2026.[1]

[1] Past performance is not an indication of future performance.

[2] Ongoing charges are the Company's expenses (excluding performance fees) expressed as a percentage of its average monthly net assets and follow the AIC recommended methodology.

RISK MANAGEMENT AND THE INTERNAL CONTROL ENVIRONMENT

The role of the Board

The Board has in place an ongoing process for the identification, assessment and monitoring of principal and emerging risks. The Company's risk register summarises the Company's principal and emerging risks and the mitigating actions in place, and forms a key component of the Company's risk management framework. The Board is aware of the obligation required under Provision 29 of the UK Code and expects to be fully compliant as at 31 December 2026.

The Board has undertaken a robust assessment of both the principal and emerging risks facing the Company, with the assistance of the Audit and Risk Committee, and as part of this review, has assessed the effectiveness of the Company's risk management and internal control systems. During the course of its review in respect of the year ended 31 December 2025, the Board has not identified, nor been advised of any failings or weaknesses which it has determined to be of a material nature. The principal risks and uncertainties which the Company faces are set out below.

Principal and emerging risks and uncertainties

The Board of Directors has overall responsibility for risk management and internal control of the Company. The Board recognises that risk is inherent in the operation of the Company and that effective risk management is key to the success of the organisation. The Board has delegated responsibility for the assurance of the risk management process and the review of mitigating controls to the Audit and Risk Committee. The Board reviews the Investment Managers reports which will include geopolitical, regulatory and sector specific developments affecting credit markets and the life sciences industry. The Investment Manager regularly engages with borrowers on market updates and new developments. In addition, the Audit and Risk Committee and the Board rely on external advisor input and general commentary of financial markets including interest rate movements, merger and acquisition activity, global equity issuances and other conditions that may impact the Company's sector.

The principal risks and the Company's policies for managing these risks are set out below and the policy and practice with regard to financial instruments are summarised in Note 16 to the financial statements.

There were no changes to these risks in the current year or at the date of this report.

Risk	Description and mitigation
Failure to achieve target returns	The target returns are targets only and are based on financial projections that are themselves based on assumptions regarding market conditions, economic environment, availability of investment opportunities and investment-specific assumptions that may not be consistent with conditions in the future. The Company seeks to achieve its investment objective predominantly through direct or indirect exposure to debt assets. Debt assets typically comprise royalty debt instruments, priority royalty tranches, senior secured debt, unsecured debt and credit-linked notes. A variety of factors, including lack of attractive investment opportunities, defaults and prepayments under debt assets, inability of the Company to obtain debt at an appropriate rate, changes in the life sciences industry, exchange rates, government regulations, the non-performance (or underperformance) of any life sciences product (or any life sciences company) could adversely impact the Company's ability to achieve its investment objective and deliver the target returns. A failure by the Company to achieve its target returns could adversely impact the value of the Shares and lead to a loss of investment. The Company has an investment policy to achieve a balanced investment with a diversified asset base and has investment restrictions in place to limit exposure to potential risk factors. These factors enable the Company to build a diversified portfolio that should deliver returns that are in line with its stated target return.

The success of the Company depends on the ability and expertise of the Investment Manager

In accordance with the Investment Management Agreement, the Investment Manager is responsible for the investment management of the Company's assets. The Company does not have its own employees and all of its Directors are appointed on a non-executive basis. All investment and asset management decisions are made by the Investment Manager (or any delegates thereof) and not by the Company or the Directors and, accordingly, the Company is completely reliant upon, and its success depends on, the Investment Manager and its personnel, services and resources. The Investment Manager is required, under the terms of the Investment Management Agreement, to perform in accordance with the Service Standard. The Investment Manager does not submit individual investment decisions to the Board for approval and the Board does not supervise the due diligence performed by the Investment Manager. As part of its asset management decisions, the Investment Manager may from time to time make commitments for future investments for which the Company may need to raise funds in the future by issuing equity and/or debt or by selling all or part of other investments to raise liquidity.

The Company is entitled to terminate the Investment Management Agreement if the Investment Manager has (i) committed fraud, gross negligence or wilful misconduct in the performance of its obligations under the Investment Management Agreement, or (ii) breached its obligations under the Investment Management Agreement, and the Company is reasonably likely to suffer a loss arising directly or indirectly out of or in connection with such breach of an amount equal to or greater than 10 per cent. of the NAV as at the date of the breach. The Investment Management Agreement may also be terminated at the Company's discretion on not less than six months' notice to the Investment Manager.

Under the terms of the Investment Management Agreement, the Investment Manager is only liable to the Company (and will only lose its indemnity) if it has committed fraud, gross negligence or wilful misconduct or acted in bad faith, or knowingly violated applicable securities laws. The performance of the Company is dependent on the diligence, skill and judgement of certain key individuals at the Investment Manager, including Pedro Gonzalez de Cosio and other senior investment professionals and the information and investments' pipeline generated through their business development efforts. On the occurrence of a Key Person Event (as defined in the Investment Management Agreement), the Company may be entitled to terminate the Investment Management Agreement with immediate effect (subject to the Investment Manager's right to find an appropriate replacement to be approved by the Board (such approval not to be unreasonably withheld or delayed) within 180 days)).

However, if the Company elects to exercise this right, it would be required to pay the Investment Manager a termination fee equal to either 1 per cent. or 2 per cent. of the invested NAV (depending on the reason for the Key Person Event), as at the date of such termination. If the Company elects not to exercise this right, the precise impact of a Key Person Event on the ability of the Company to achieve its investment objective and target returns cannot be determined and would depend inter alia on the ability of the Investment Manager to recruit individuals of similar experience, expertise and calibre. There can be no guarantee that the Investment Manager would be able to do so and this could adversely affect the ability of the Company to meet its investment objective and target returns and may adversely affect the NAV and Shareholder returns and result in a substantial loss of a Shareholder's investment.

The Investment Manager has extensive expertise and a track record of successfully investing in debt and other cash flows backed by life sciences products. The Investment Management Agreement provides attractive incentives for the Investment Manager to perform prudently and in the best interests of the Company. In addition, the Investment Manager and its affiliates own approximately 2 per cent. of the Company as at 31 December 2025, creating a strong alignment of interests between the Investment Manager and its affiliates and Shareholders of the Company.

The Company may from time to time commit to make future investments that exceed its current liquidity

From time to time, the Company may commit to make future investments for which the Company will need to raise funds by issuing equity and/or debt, or by selling all or part of other investments. Investment opportunities may require the Company to fund transactions in two or more tranches, with the later tranches to be funded six or more months in the future. Refusing to offer such later tranches would decrease the attractiveness of the Company's investment proposals and harm the Company's ability to successfully deploy its capital. Requiring the Company to maintain low-yielding cash balances sufficient to fund all such later tranches at the time of the initial commitment would decrease the average yield on the Company's assets, adversely impacting the returns to investors, and may also result in missed investment opportunities. However, in order to fund all such later tranches, the Company could be forced to issue debt, sell assets or renegotiate with the party to which it has committed the funding on unattractive terms. Furthermore, there can be no assurance that the Company will always be able to raise sufficient liquidity (by issuing equity and/or debt, or by selling investments) to meet its funding commitments. If the Company were to fail to meet its funding commitments, the Company could be in breach of its contractual obligations, which could adversely affect the Company's reputation, could result in the Company facing legal action from its counterparty, and could adversely affect the Company's financial results.

The Investment Manager believes that the risks associated with such unfunded commitment is manageable without undue risk. The Investment Manager has extensive expertise in raising debt secured by cash flows from life sciences products and has extensive relationships with banks and other financial institutions who can be called on to provide debt financing to the Company in order to raise liquidity. In addition, the Investment Manager has expertise purchasing and selling life sciences debt assets in the secondary market and has extensive relationships with the major participants in the life- sciences debt market who would be the likely purchasers of any assets offered for sale by the Company in order to raise liquidity.

As at 31 December 2025, the risk associated with unfunded commitments is manageable. As of year end, the Company and its financing subsidiary, BPCR Limited Partnership, have a total of $422.3 million in cash which exceeds its unfunded commitments of $366.7 million.

The Investment Manager's ability to source and advise appropriately on investments

Returns on the shareholders' investments will depend upon the Investment Manager's ability to source and make successful investments on behalf of the Company. There can be no assurance that the Investment Manager will be able to do so on an ongoing basis. Many investment decisions of the Investment Manager will depend upon the ability of its employees and agents to obtain relevant information. There can be no guarantee that such information will be available or, if available, can be obtained by the Investment Manager and its employees and agents. Furthermore, the Investment Manager will often be required to make investment decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify. For example, the Investment Manager may not have access to records regarding the complaints received regarding a given life science product or the results of research and development.related to products. Furthermore, the Company may have to compete for attractive investments with other public or private entities, or persons, some or all of which may have more capital and resources than the Company.

These entities may invest in potential investments before the Company is able to do so or their offers may drive up the prices of potential investments, thereby potentially lowering returns and, in some cases, rendering them unsuitable for the Company. An inability to source investments would have a material adverse effect on the Company's profitability, its ability to achieve its target returns and the value of the Shares.

The Investment Manager believes that sourcing investments is one of its competitive advantages. The Investment Manager's professionals, together with those at its affiliate RP Management LLC, accessible through the Shared Services Agreement, have complementary scientific, medical, licensing, operating, structuring and financial backgrounds which the Investment Manager believes provide a competitive advantage in sourcing, evaluating, executing and managing credit investments in the life sciences industry.

There can be no assurance that the Board will be able to find a replacement investment manager if the Investment Manager resigns

Under the terms of the Investment Management Agreement, the Investment Management Agreement may be terminated by: the Company on not less than six months' notice to the Investment Manager. The Board would, in these circumstances, have to find a replacement investment manager for the Company and there can be no assurance that a replacement with the necessary skills and experience would be available and/or could be appointed on terms acceptable to the Company. In this event, the Board may have to formulate and put forward to Shareholders proposals for the future of the Company which may include its merger with another investment company, reconstruction or winding up. It is possible that, following the termination of the Investment Manager's appointment, the Investment Manager will continue to have a role in the investment management of certain assets, where a debt asset is shared with one or more other entity managed by the Investment Manager that continue to retain the Investment Manager's services.

In the event the Investment Manager resigns, the Board will put forward to Shareholders proposals for the future of the Company which may include its merger with another investment company, reconstruction or winding up. Entities affiliated with the Investment Manager own approximately 2 per cent. of the Company as at 31 December 2025. This affiliate ownership level, coupled with the fact that the Investment Manager is fairly compensated, provide further incentive for them to remain as Investment Manager to the Company.

Concentration in the Company's portfolio may affect the Company's ability to achieve its investment objective

The Company's published investment policy allows the Company to invest up to 25 per cent. of the Company's assets in a single debt asset or in debt assets issued to a single borrower. While the investment limits in the investment policy have been set keeping in mind the debt capital requirements of the life sciences industry and the investment opportunities available to the Investment Manager, it is possible that the Company's portfolio may be significantly concentrated at any given point in time.

Concentration in the Company's portfolio may increase certain risks to which the Company is subject, some or all of which may be related to events outside the Company's control. These would include risks around the creditworthiness of the relevant borrower, the nature of the debt asset and of any life sciences product(s) in question. The occurrence of these situations may result in greater volatility in the Company's investments and, consequently, its NAV, and may materially and adversely affect the performance of the Company and the Company's returns to shareholders. Such increased concentration of the Company's assets could also result in greater losses to the Company in adverse market conditions than would have been the case with a less concentrated portfolio, and have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's NAV and/or the market price of the Shares.

Life sciences products are subject to intense competition and various other risks	The biopharmaceutical and pharmaceutical industries are highly competitive and rapidly evolving. The length of any life sciences product's commercial life cannot be predicted. There can be no assurance that the life sciences products will not be rendered obsolete or non-competitive by new products or improvements made to existing products, either by the current marketer of the life sciences products or by another marketer. Adverse competition, obsolescence or governmental and regulatory life sciences policy changes could significantly impact royalty revenues of life sciences products which serve as the collateral or other security for the repayment of obligations outstanding under the Company's investments. If a life sciences product is rendered obsolete or non-competitive by new products or improvements on existing products or governmental or regulatory action, such developments could have a material adverse effect on the ability of the borrower under the relevant debt asset to make payment of interest on, and repayments of the principal of, that debt asset, and consequently could adversely affect the Company's performance. If additional side effects or complications are discovered with respect to a life sciences product, and such life sciences product's market acceptance is impacted or it is withdrawn from the market, continuing payments of interest on, and repayment of the principal of, that debt asset may not be made on time or at all. It is possible that over time side effects or complications from one or more of the life sciences products could be discovered, and, if such a side effect or complication posed a serious safety concern, a life sciences product could be withdrawn from the market, which could adversely affect the ability of the borrower under the relevant debt asset to make continuing payments of interest on, and repayment of the principal of, that debt asset, in which case the Company's ability to make distributions to investors may be materially and adversely affected. Furthermore, if an additional side effect or complication is discovered that does not pose a serious safety concern, it could nevertheless negatively impact market acceptance and therefore result in decreased net sales of one or more of the life sciences products, which could adversely affect the ability of borrowers under the relevant debt asset(s) to make continuing payments of interest on, and repayment of the principal of, that debt asset(s), in which case the Company's ability to make distributions to investors may be materially and adversely affected. The Investment Manager engages in a thorough diligence process before entering into any debt instrument with the counterparty and interacts with each counterparty as needed to evaluate the status of its investment on an ongoing basis.

Investments in debt obligations are subject to credit and interest rate risks	Debt instruments are subject to credit and interest rate risks. Credit risk refers to the likelihood that the borrower will default in the payment of principal and/or interest on an instrument. Financial strength and solvency of a borrower are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt asset may affect its credit risk. Credit risk may change over the life of an instrument. Interest rate risk refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt asset indirectly (especially in the case of fixed rate debt assets) and directly (especially in the case of debt assets whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt asset and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. In addition, interest rate increases generally will increase the interest carrying costs to the Company (or any entity through which the Company invests) of leveraged investments. The Company will often seek to be a secured lender for each Debt Asset. However, there is no guarantee that the relevant borrower will repay the loan or that the collateral will be sufficient to satisfy the amount owed under the relevant Debt Asset. Credit risk will be assessed on an ongoing basis along with interest rate risk, and is further mitigated by the Company's investment policy permitting up to no more than 25 per cent. of the Company's assets to be invested in a single Debt Asset or in Debt Assets issued to a single borrower. Interest rate risk can be managed in a variety of ways, including with the use of derivatives.
Counterparty risk	The Company intends to hold debt assets that will generate an interest payment. There is no guarantee that any borrower will honour their obligations. The default or insolvency of such borrowers may substantially affect the Company's business, financial condition, results of operations, the NAV and Shareholder returns. The Company will often seek to be a secured lender for each Debt Asset. However, there is no guarantee that the collateral will be sufficient to satisfy the amount owed under the relevant Debt Asset.
Sales of life sciences products are subject to regulatory actions that could harm the Company's ability to make distributions to investors	There can be no assurance that any regulatory approvals for indications granted to one or more life sciences products will not be subsequently revoked or restricted. Such revocation or restriction may have a material adverse effect on the sales of such products and on the ability of borrowers under the relevant Debt Asset to make continuing payments of interest on, and repayment of the principal of, that Debt Asset, in which case the Company's ability to make distributions to investors may be materially and adversely affected. Changes in legislation are monitored with the use of third-party legal advisers and the Investment Manager will maintain awareness of new approvals or revoked approvals.

Net asset values published will be estimates only and may differ materially from actual results	Generally, there will be no readily available market for a significant number of the Company's investments and hence, the majority of the Company's investments are not valued based on market-observable inputs. The valuations used to calculate the NAV on a monthly basis will be based on the Investment Manager's unaudited estimated fair market values of the Company's investments. It should be noted any such estimates may vary (in some cases materially) from the results published in the Company's financial statements (as the figures are published at different times) and that they, and any NAV figure published, may vary (in some cases materially) from realised or realisable values. The Investment Manager sends valuations on a monthly basis to the administrator for calculation of the NAV. The NAV is prepared by the administrator on the basis of information received from the Investment Manager and, once finalised, is reviewed and approved by a representative of the Investment Manager. Once approved, the Investment Manager notifies the Board and the NAV is released to the market. The Investment Manager notes that there has been no NAV adjustment since IPO.
Changes in taxation legislation or practice may adversely affect the Company and the tax treatment for Shareholders investing in the Company	Any change in the Company's tax status, or in taxation legislation or practice in the UK, US or elsewhere, could affect the value of the Company's investments and the Company's ability to achieve its investment objective, or alter the post-tax returns to Shareholders. It is the intention of the Directors to conduct the affairs of the Company so as to satisfy the conditions for approval of the Company by HMRC as an investment trust under section 1158 of the Corporation Tax Act 2010 (as amended) and pursuant to regulations made under Section 1159 of the Corporation Tax Act 2010. However, although the approval has been obtained, neither the Investment Manager nor the Directors can guarantee that this approval will be maintained at all times. The Company has been granted approval from HMRC as an investment trust and will continue to have investment trust status in each subsequent accounting period, unless the Company fails to meet the requirements to maintain investment trust status, pursuant to the regulations. For example, it is not possible to guarantee that the Company will remain a non-close company, which is a requirement to maintain investment trust status, as the Shares are freely transferable. Failure to maintain investment trust status could, as a result, (inter alia) lead to the Company being subject to UK tax on its chargeable gains. Existing and potential investors should consult their tax advisers with respect to their particular tax situations and the tax effects of an investment in the Company.
Geopolitical Risk	The global operating environment remains characterized by elevated geopolitical uncertainty. Ongoing conflicts between Russia and Ukraine, the war between Israel and Hamas and the Iranian war contribute to sharp volatility in the global markets. However, the Company does not have any direct investments with Russia, Ukraine or Iran and has limited manufacturing exposure in Israel.

GOING CONCERN

The Directors consider that it is appropriate to adopt the going concern basis in preparing the financial statements. After making enquiries, and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. In arriving at this conclusion, the Directors have considered the liquidity of the portfolio and the Company's ability to meet obligations as they fall due for a period of at least 12 months from the date that these financial statements were approved. As at 31 December 2025, the Company and its financing subsidiary, BPCR Limited Partnership, held cash of $422.3 million, which exceeds its unfunded commitments of $366.7 million, resulting in net cash of $230.6 million after such commitments. The Directors are therefore satisfied that the Company has sufficient resources to meet its obligations as they fall due for a period of at least 12 months from the date of approval of these financial statements.

VIABILITY STATEMENT

The Board has assessed the principal and emerging risks risks facing the Company over a five-year period, including those that would threaten its business model, future performance, solvency or liquidity. The five-year period was selected to align with the average duration of the Company's existing investments. The Board has developed a matrix of risks facing the Company and has put in place certain investment restrictions which are in line with the Company's investment objective and policy in order to mitigate these risks as far as practicable. The principal risks which have been identified, and the steps taken by the Board to mitigate these risks, are presented on pages 32 to 38.

The Company believes its borrowing capabilities provide further flexibility and help ensure it is in a position to finance its funding obligations in the event that internally generated cash flow in the period is insufficient to finance the unfunded portion of a lending commitment. The Board reviews the Company's financing arrangements quarterly to ensure that the Company is in a strong position to fund all outstanding commitments on existing investments as well as being able to finance new investments. In addition, the Board regularly reviews the prospects for the Company's portfolio and the pipeline of potential investment opportunities which provide comfort that the Company is able to continue to finance its activities for the medium-term future.

Based on this assessment, the Directors have 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-year period.

ENVIRONMENTAL, HUMAN RIGHTS, EMPLOYEE, SOCIAL AND COMMUNITY ISSUES

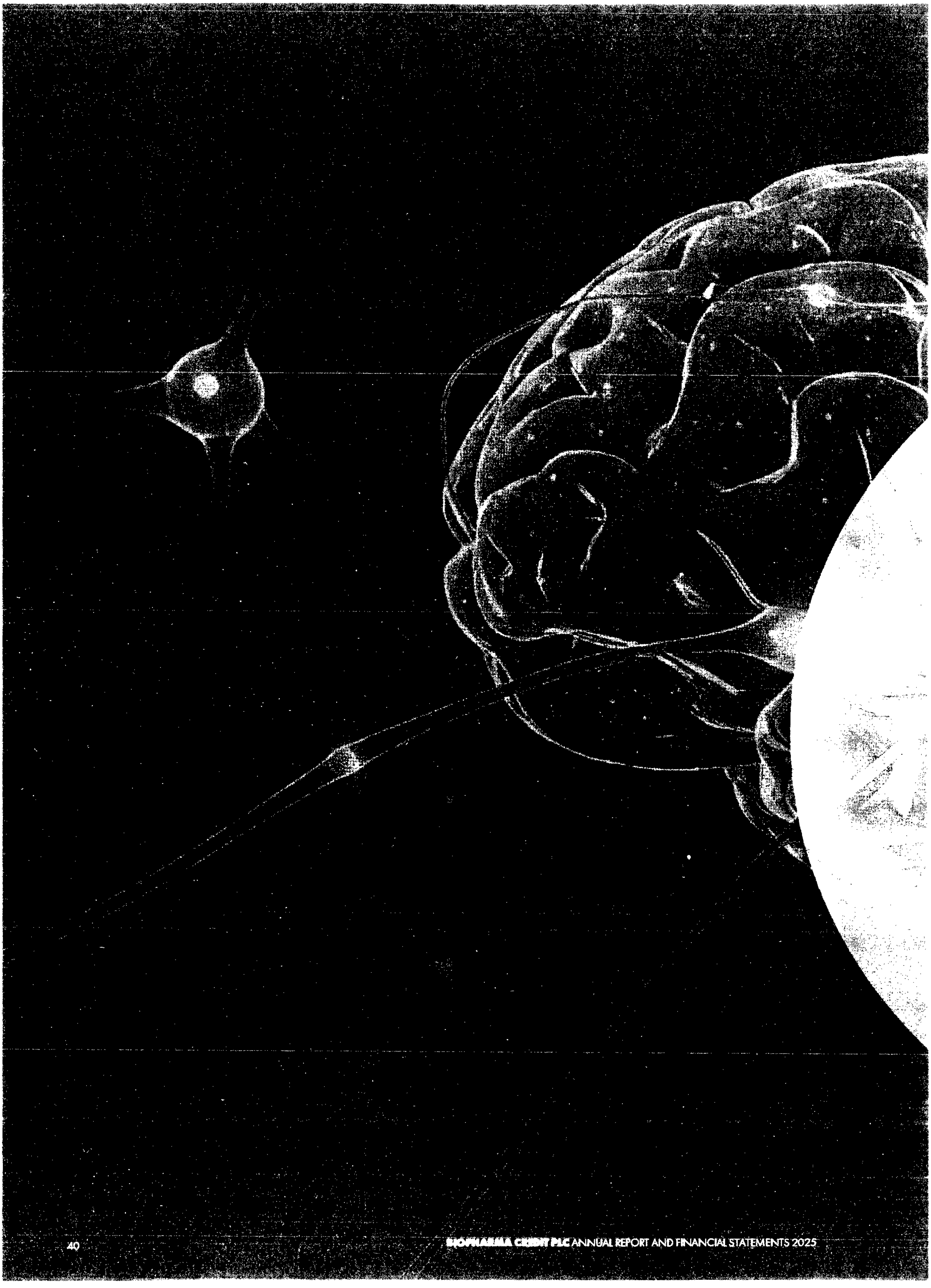
The Board recognises the requirement under the Companies Act 2006 to detail information about employees, human rights, environmental and community issues, including information about any policies it has in relation to these matters and the effectiveness of these policies. These requirements do not apply directly to the Company as it has no employees, all the Directors are non-executive and it has outsourced all its functions to third-party service providers. The Company has therefore not reported further in respect of these provisions.

While the Company is not within the scope of the Modern Slavery Act 2015 and it is not, therefore, obliged to make a slavery and human trafficking statement, the Company considers its supply chains to be of low risk as its principal service providers are the professional advisers set out in the Corporate Information section on page 101. Further information on the Company's anti-bribery and corruption policy is set out on page 46.

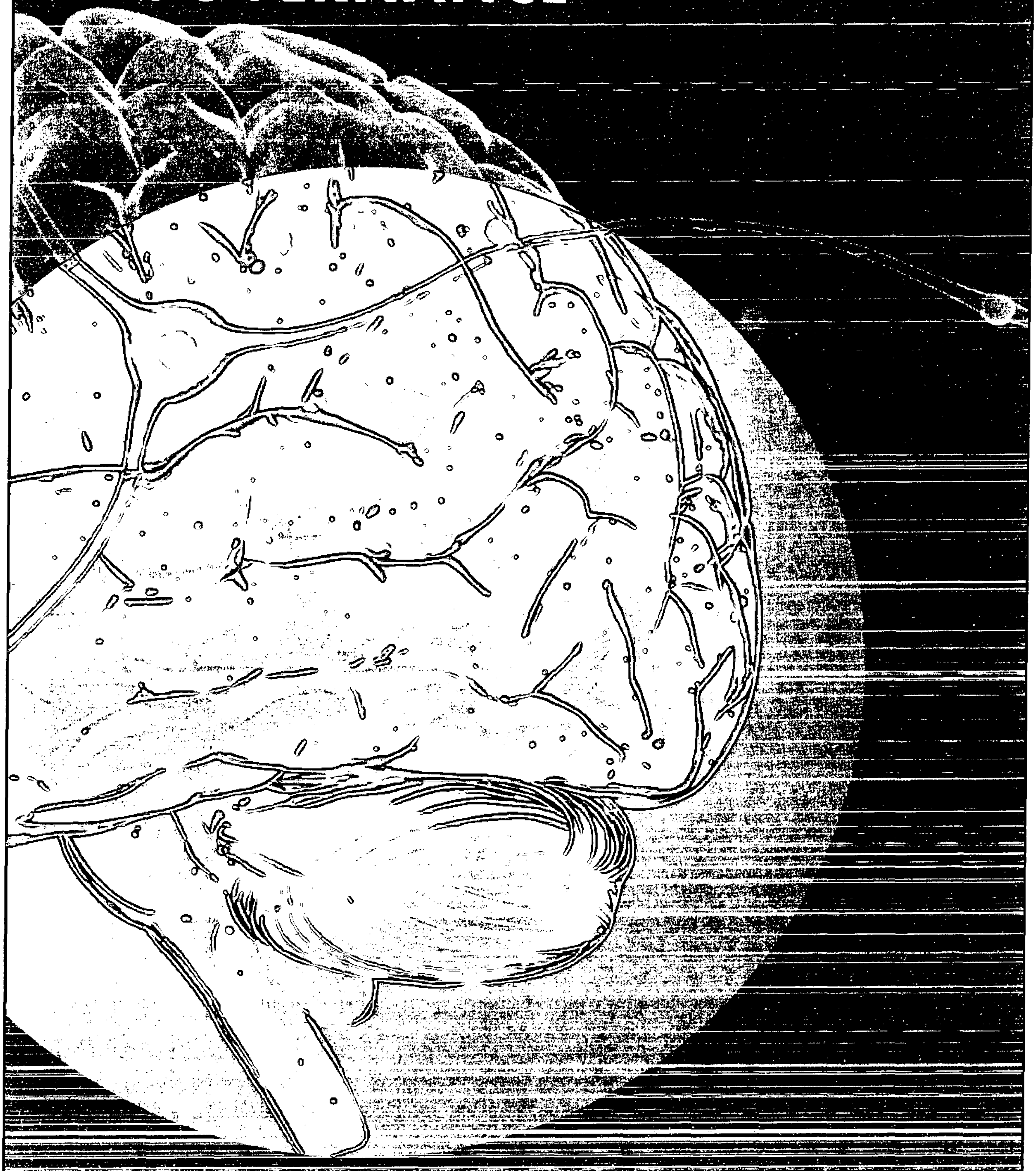
There are seven Directors, five male and two female. Further information on the composition and operation of the Board is detailed on pages 42 to 51.

This Strategic Report has been approved by the Board and signed on its behalf by

Harry Hyman
Chairman
23 March 2026



GOVERNANCE



BOARD OF DIRECTORS

All Directors in office at the date of this report are non-executive and independent of the Investment Manager

HARRY HYMAN
Chairman

Harry Hyman is the founder and the non executive Chair of Primary Health Properties PLC ("PHP"), a FTSE 250 Index company that specialises in the ownership of property leased on a long-term basis to healthcare providers. After graduating from Christ's College Cambridge, Mr Hyman qualified as a chartered accountant with Price Waterhouse. In 1983 he joined Baltic PLC where he was deputy managing director, finance director and company secretary. He left to establish PHP and Nexus InvestCo in February 1994. Mr Hyman is a Director of Knife and Fork Holdings, and is the founder of The International Opera Awards. He has been a non-executive director of a number of listed investment trusts.

Mr Hyman was appointed as a Director of the Company on 27 February 2017 and as Chairman of the Board on 16 September 2020.

DUNCAN BUDGE
Senior Independent Director

Duncan Budge is a non-executive Director of Patria Private Equity Trust Plc, Lowland Investment Company Plc and Ascot Value Investors Limited. He was previously the Chairman of Dunedin Enterprise Investment Trust plc and Artemis Alpha Trust plc from 2014 to 2023, J. Rothschild Capital Management from 1988 to 2012 and a director and chief operating officer of RIT Capital Partners plc from 1995 to 2011. After graduating from the University of Oxford, he spent six years with Lazard Brothers.

Mr Budge was appointed as a Director of the Company on 24 October 2016 and as Senior Independent Director on 16 September 2020.

STEPHANIE LÉOUZON
Non-Executive Director

Stephanie Léouzon has had over 30 years experience as a Health Care Investment Banker, and is a Managing Director and Vice Chair of European Healthcare Investment Banking at Stifel. She has worked on over 100 strategic and financing transactions in the biopharmaceutical industry, with an aggregate value of over $75 billion. Mrs Léouzon joined Stifel in 2024 when Stifel acquired Torreya. She joined Torreya in 2011, and served as Partner and Head of Europe. Previously, she was a Managing Director and Senior Adviser in Healthcare Investment Banking at Credit Suisse in London. She has also worked at Salomon Brothers, as a Director of Healthcare Investment Banking, and as a Vice President in the Investment Banking divisions of JP Morgan and Lehman Brothers in New York. She was previously a non-executive director of Immunovaccine Inc and Endotis Pharma SA.

Mrs Leouzon was appointed as a Director of the Company on 5 December 2018.

COLIN BOND
Chairman of the Audit and Risk Committee

Colin Bond was the Chief Financial Officer of the pharmaceutical company Sandoz AG until the end of June 2024. He was previously Chief Financial Officer of Vifor Pharma from 2016 to 2022 and he was the Chief Financial Officer of Evotec AG from 2010 to 2016. During his early career, he worked as a pharmacist, auditor, and management consultant for Procter & Gamble, Arthur Andersen, and PricewaterhouseCoopers LLP, respectively. He holds a university degree in Pharmacy from the University of Aston (Birmingham) and an M.B.A. degree from London Business School. He is a fellow of the Institute of Chartered Accountants in England and Wales and a member of the Royal Pharmaceutical Society. Mr Bond is a citizen of Great Britain and Switzerland.

Mr Bond is a non-executive Director of Oxford Biomedica Plc, Faron Pharmaceuticals Ltd, One Source Specialty Pharma Limited, Agomab Therapeutics NV and Medichem S.A and member of the Supervisory Board of Formycon AG.

Mr Bond was appointed as a Director of the Company on 15 November 2016.

BOARD OF DIRECTORS continued

NIGEL REYNOLDS
Non-Executive Director

Nigel Reynolds has over 30 years of accounting and finance experience advising both listed and private companies. He was a partner at PwC for 20 years specialising in audit, transaction services and capital markets work. During his time at PwC, he led its London Assurance practice for 5 years, private equity portfolio company practice and was the relationship partner for various UK listed and international companies including companies in healthcare and investment trusts. Over his career he has also advised companies on strategy, M&A, internal audit and tax and has overseen technology, sustainability, and other large projects for PwC clients.

Mr Reynolds is a non-executive Director at Simmons + Simmons, an angel investor in several growth companies and a member of the Institute of Chartered Accountants in England & Wales.

Mr Reynolds was appointed as a Director of the Company on 1 January 2026.

ROLF SODERSTROM
Non-Executive Director

Rolf Soderstrom is an External Independent Director of Nxera Pharma, which is listed on the Tokyo Stock Exchange. His previous roles include Executive Partner and Chief Financial Officer at Syncona Investment Management Limited, a listed Lifescience venture fund. He was Chief Financial Officer of BTG PLC where he helped implement and execute a transformational growth strategy culminating in a sale to Boston Scientific for $4.2bn. Other previous roles include Chief Financial Officer at Protherics PLC and senior finance roles in Cobham PLC, Cable & Wireless PLC and PwC. He received a BA honours degree in History from University College London and is a member of the Institute of Chartered Accountants of England and Wales.

Mr Soderstrom was appointed as a Director of the Company on 16 September 2020.

SAPNA SHAH
Non-Executive Director

Sapna Shah has over 20 years of investment banking experience advising international companies, including listed REITs and investment companies, on mergers and acquisitions, IPOs and equity capital market transactions. Ms Shah is the senior independent director of Supermarket Income REIT plc and chair of its nominations committee, a non-executive director of BlackRock Greater Europe Investment Trust plc, Pantheon Infrastructure plc and non-executive Chair and member of the remuneration committee of the Association of Investment Companies ("AIC"). She is a Senior Adviser at Panmure Liberum and prior to this held senior investment banking roles at UBS AG, Oriel Securities (now Stifel Nicolaus Europe) and Cenkos Securities (now Cavendish Financial). She has previously served on the advisory committee for a private solar energy company.

Ms Shah was appointed as a Director of the Company on 22 March 2023.

DIRECTORS' REPORT

The Directors are pleased to present the Annual Report and audited financial statements for the year ended 31 December 2025. The Directors' Report and the Strategic Report should be read together, as they contain the information required to be included in the management report for the purposes of DTR 4.1.8R of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules. The Corporate Governance Statement (including the Audit and Risk Committee report and the Remuneration report) provides additional context to these disclosures.

DIRECTORS

The Directors of the Company who were in office during the year and up to the date of signing the financial statements are shown on pages 42 to 43.

The general powers of the Directors are set out in the Company's Articles of Association, which provides that the business of the Company shall be managed by the Board, which may exercise all powers of the Company, subject to any limitations imposed by the Articles and any directions given by special resolution of the Company. The rules concerning the appointment and replacement of Directors are also set out in the Articles and the Companies Act 2006. The Articles can be amended by shareholders at a General Meeting.

SHARE CAPITAL

An allotment authority for the issuance of up to 112,932,777 ordinary or C shares was passed at the Company's Annual General Meeting ("AGM") held on 9 June 2025. This authority will expire at the conclusion of, and renewal will be sought at, the AGM to be held in June 2026. No shares were issued during the year.

At the AGM held on 9 June 2025, the Company was granted authority to purchase up to 14.99 per cent. of the Company's Ordinary Share capital in issue at that date, amounting to 185,505,277 Ordinary Shares in issue. This authority will expire at the conclusion of, and renewal will be sought at, the Annual General Meeting to be held in June 2026.

As set out in the Chairman's Statement on page 4, during the year, the Company's discount control mechanism was triggered and the Company was required to use its capital to repurchase shares. During 2025, 56,828,879 shares of $0.01 were bought back at a total cost of $50.3 million and are held in treasury. This represented 4.14 per cent. of the issued share capital as at 31 December 2025. No shares were purchased for cancellation.

At 31 December 2025, and as at the date of this report, there are 1,373,932,067 Ordinary Shares in issue. As at 31 December 2025 there were 244,704,289 Ordinary Shares held in treasury. Since 31 December 2025, no further shares have been repurchased. Ordinary shares held in Treasury will only be reissued at a premium to the prevailing net asset value per share at the time of issue. The decision as to whether to reissue any treasury shares will be at the discretion of the Board and within the Directors' authority to allot shares.

At general meetings of the Company, shareholders are entitled to one vote on a show of hands and to one vote for every share held on a poll. Shares held in treasury do not carry voting rights. The total voting rights of the Company at 31 December 2025 was 1,129,227,778 and there has been no change up to the date of this report.

Further information on the Company's share capital is set out in Note 13 to the financial statements.

SUBSTANTIAL SHAREHOLDINGS

The Directors have been informed of the following notifiable interests in the Company's voting rights as at 31 December 2025:

	Number of Ordinary Shares	% of voting rights
Newton Investment Management Limited	136,378,417	11.50
Adage Capital Partners GP LLC	112,712,381	9.97
Interseguro Compañía de Seguros S.A.	72,791,326	6.14
Sarasin & Partners LLP	70,476,921	5.94
M&G plc	67,215,104	5.67
Inteligo Bank Limited	66,593,210	5.61

This information was correct at the date of notification. It should be noted that these holdings are likely to have changed since the Company was notified; however, notification of any change is not required until the next notifiable threshold is crossed.

The Company has not been informed of any changes to the notifiable interests between 31 December 2025 and the date of this report.

INFORMATION ABOUT SECURITIES CARRYING VOTING RIGHTS

The following information is disclosed in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and DTR 7.2.6 of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules:

- the Company's capital structure and voting rights and details of the substantial shareholders in the Company are set in Note 13 to the financial statements and above;
- the giving of powers to issue or buy back the Company's Shares requires an appropriate resolution to be passed by shareholders; and
- there are no restrictions concerning the transfer of securities in the Company or on voting rights; no special rights with regard to control attached to securities and no agreements between holders of securities regarding their transfer known to the Company.

DIVIDENDS AND DIVIDEND POLICY

Dividends paid in respect of the year ended 31 December 2025 are set out on in Note 6 to the financial statements.

The Company pays dividends in US dollars or GBP Sterling (at the shareholder's election) on a quarterly basis. The Company may, where the Directors consider it appropriate, use the special distributable reserve created by the cancellation of its Share premium account to pay dividends.

The Company targets an annual dividend yield of 7 cents plus special on the Ordinary Shares in issue (calculated by reference to the issue price at IPO), together with a net total return on NAV of 8-9 per cent. per annum on the Ordinary Shares in issue in the medium term.

SIGNIFICANT AGREEMENTS

The Company is not a party to any significant agreements that would take effect, alter or terminate on a change of control of the Group.

FINANCIAL RISK MANAGEMENT

The principal risks and the Company's policies for managing these risks are set out in the Strategic Overview on pages 32 to 38 and Note 16 to the financial statements.

CORPORATE GOVERNANCE

The Corporate Governance Statement on page 47 forms part of the Directors' Report.

STAKEHOLDER ENGAGEMENT

While the Company has no employees, suppliers or customers, the Directors give regular consideration to the need to foster the Company's business relationships with its stakeholders, in particular with clients, shareholders and service providers. The effect of this consideration upon the principal decisions taken by the Company during the financial year is set out in further detail in the Strategic Report on pages 28 to 30.

STREAMLINED ENERGY AND CARBON REPORTING

The Company is an investment trust, with neither employees nor premises. It has no direct 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 Report and Directors' Report) Regulations 2013, including those within the Company's underlying investment portfolio. Consequently, the Company consumed less than 40,000 kWh of energy during the year in respect of which the Directors' Report is prepared and is therefore exempt from the disclosures required under the Streamlined Energy and Carbon Reporting criteria.

REQUIREMENTS OF THE LISTING RULES

UKLR 6.6.4 (R) requires the Company to include specified information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that no disclosures are required in this respect.

The Listing Rules require companies to disclose in their annual report whether they have reported on how climate change affects their business in a manner consistent with the recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD'), and to provide an explanation and other information if they are unable to do so. The Company is not required to disclose this information under UKLR 11.4.23 (R).

CONSUMER DUTY

The FCA's Consumer Duty rules aim to improve outcomes for retail customers across the financial services industry. The Board has reviewed the investment managers annual assessment of consumer duty obligations and is satisfied they have been met.

MANAGEMENT ARRANGEMENTS

The Company has appointed Pharmakon Advisors LP, a limited partnership established under the laws of the State of Delaware, USA as its Investment Manager and acting Alternative Investment Fund Manager ("AIFM") for the purposes of the Alternative Investment Fund Managers Directive. The Investment Manager is a registered investment adviser under the Advisers Act and is regulated by the SEC.

The Company and the Investment Manager have entered into an Investment Management Agreement dated 1 March 2017, as amended on 14 March 2018, 24 May 2018 and 19 September 2018, pursuant to which the Investment Manager has been given responsibility, subject to the overall supervision of the Board, for the active investment management of the Debt Assets and all other investments of the Company from time to time, including sourcing and advising on investment opportunities and proposals which are in accordance with the Company's investment objective and policy. The Investment Management Agreement may be terminated by: (a) the Investment Manager on not less than six months' notice to the Company; or (b) the Company on not less than six months' notice to the Investment Manager.

Details about the management and performance fee can be found in Note 4 to the financial statements.

The Investment Manager consists of three principals: Pedro Gonzalez de Cosio, Pablo Legorreta and Martin Friedman. In addition, the Investment Manager may draw on the expertise of certain employees of its affiliate, RP Management LLC. For these purposes, the Investment Manager and RP Management LLC entered into a Shared Services Agreement as of 1 January 2016, whereby RP Management LLC may provide the services of its research, legal and compliance, and finance teams to the Investment Manager.

Under the Shared Services Agreement, each of RP Management LLC and the Investment Manager has agreed to reimburse the other for reasonable internal and third-party expenses incurred by the other on its behalf, or for its benefit, as a result of rendering such services. Such expenses include (without limitation) business development, due diligence, legal, consulting, compliance, research and similar expenses.

Under the Shared Services Agreement, subject to each party's fiduciary duties to its clients, each of RP Management LLC and the Investment Manager has agreed to refer to the other any business opportunities that fit the other's investment objectives. To the extent that a business opportunity involves both equity and debt-like financing transactions, each of RP Management LLC and the Investment Manager shall be free to negotiate an offer aligning with its own investment objectives and is under no obligation to take the other party's investment objectives into consideration during such a negotiation.

The Shared Services Agreement is governed by the laws of the State of New York and may be terminated by either RP Management LLC or the Investment Manager upon 30 days' written notice.

INSURANCE AND INDEMNITY PROVISIONS

The Board has agreed arrangements whereby Directors may take independent professional advice in the furtherance of their duties. The Company has Directors' and Officers' liability insurance and professional indemnity insurance to cover legal defence costs and public offering of securities insurance in place in respect of both the IPO and the Placing Programme. Under the Company's Articles, the Directors are provided, subject to the provisions of UK legislation, with an indemnity in respect of liabilities which they may sustain or incur in connection with their appointment. This indemnity was in force during the year and remains in force as at the date of this report. Apart from this, there are no third-party indemnity provisions in place for the Directors.

ANTI-BRIBERY AND CORRUPTION

The Company has reviewed the statements regarding compliance with the Bribery Act 2010 by the Company's Investment Manager and service providers. These statements are reviewed regularly by the Audit and Risk Committee.

FUTURE DEVELOPMENTS

The effects of geopolitical and social risks may have economic consequences that extend beyond the short term. The Company does not have any direct investments with Russia, Ukraine or Iran and has limited manufacturing exposure in Israel. We will continue to monitor the situation and will inform shareholders of any material changes to this assessment. Further details on the outlook of the Company are set out in the Chairman's Statement on page 4.

EVENTS SUBSEQUENT TO THE YEAR END

Details of events subsequent to the year end date can be found in Note 19 to the financial statements.

AUDIT INFORMATION

The Directors who held office at the date of approval of the Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware; and each Director has taken all reasonable steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

AUDITOR

Ernst & Young, Chartered Accountants will be proposed for re-appointment at the AGM. In accordance with s.489(4) of the Companies Act 2006, resolutions to determine remuneration for the Auditor are to be agreed at the AGM. Further information on the appointment of the Auditor can be found on page 53.

AGM

The Company's AGM will be held in June 2026. The notice of this meeting is included with this mailing and will also be uploaded to the Company's website www.bpcruk.com.

By order of the Board

MUFG Corporate Governance Limited
Company Secretary
23 March 2026

FOR AND ON BEHALF OF MUFG CORPORATE GOVERNANCE LIMITED - COMPANY SECRETARY

Corporate Governance Statement

This Corporate Governance Statement forms part of the Directors' Report.

INTRODUCTION FROM THE CHAIRMAN

I am pleased to introduce this year's Corporate Governance Statement. In this statement, the Company reports on its compliance with the 2024 AIC Code of Corporate Governance (the "AIC Code") and sets out how the Board has operated during the past year. This is the Company's first year complying with 2024 AIC Code, with the exception of provision 34 (provision 29 of the 2024 UK Corporate Governance Code (the "UK Code")) which is applicable for financial years on or after 1 January 2026. The Board has taken a number of steps throughout the year to ensure compliance with the AIC Code, including updating its Committee Terms of Reference and completing a gap analysis exercise from the 2019 to 2024 AIC Code. The Board has also commenced readiness activities to prepare to comply with the new provision 34 on Internal Controls and further information on this can be found on pages 52 and 53. The Board is accountable to shareholders for the governance of the Company and is committed to maintaining the highest standard of corporate governance for the long-term sustainable success of the Company.

COMPLIANCE WITH THE AIC CODE

The Company reviews its standards of governance against the principles and recommendations of the AIC Code. The Board considers that reporting against the principles and recommendations of the AIC Code provides better information to shareholders as it addresses all the principles set out in the UK Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment trusts, and is endorsed by the Financial Reporting Council (the "FRC"). The terms of the FRC's endorsement mean that AIC members who report against the AIC Code meet fully their obligations under the UK Code and the related disclosure requirements contained in the Listing Rules of the Financial Conduct Authority. A copy of the AIC Code can be found at www.theaic.co.uk. A copy of the UK Code can be obtained at www.frc.org.uk.

The Board recognises the importance of a strong corporate governance culture and has established a governance framework which it considers to be appropriate to the business of the Company and to contribute to the effective delivery of the Company's strategy.

The UK Code includes provisions relating to:

- the role of the chief executive; and
- executive directors' remuneration.

For the reasons explained in the AIC Code, the Board considers that these provisions are not relevant to the Company, being an externally managed investment company. The Company has therefore not reported further in respect of these provisions. The Board has reviewed the principles and recommendations of the AIC Code and considers that it has complied throughout the year, except as disclosed below:

- Provision 24: Directors are not appointed for a specific term as all Directors are non-executive and the Company has adopted a policy of all Directors, including the Chairman, standing for annual re-election. The Board seeks to regularly refresh the Board by recruiting new Directors and has determined that no further policy on tenure is required.
- Provision 22 and 37: Given the structure and size of the Board, the Board does not consider it necessary to appoint separate nomination, remuneration or management engagement committees. This is however, kept under annual review. The roles and responsibilities normally reserved for these committees are matters for the full Board.

BOARD OF DIRECTORS

Under the leadership of the Chairman, the Board of Directors is collectively responsible for the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society. It provides overall leadership, sets the strategic aims of the Company and ensures that the necessary resources are in place for the Company to meet its objectives and fulfil its obligations to shareholders within a framework of high standards of corporate governance and effective internal controls. The Directors are responsible for the determination of the Company's investment policy and investment strategy and have overall responsibility for the Company's activities, including the review of investment activity and performance and the control and supervision of the Investment Manager.

The Board consisted of six independent non-executive Directors as at 31 December 2025. Mr Nigel Reynolds was appointed as an independent non-executive Director of the Board on 1 January 2026, and as at the date of this report the Board consists of seven independent non-executive Directors. It seeks to ensure that it has an appropriate balance of skills and experience, and considers that, collectively, it has substantial recent and relevant experience of investment trusts and financial and public company management. The Chairman of the Audit and Risk Committee, Mr Bond, has recent and relevant financial experience as set out in his biography on page 42.

The terms and conditions of the appointment of the Directors are formalised in letters of appointment, copies of which are available for inspection from the Company's registered office. None of the Directors has a contract of service with the Company nor has there been any other contract or arrangement between the Company and any Director at any time during the year. Directors are not entitled to any compensation for loss of office.

SUCCESSION PLANNING AND RECRUITMENT

The Board does not have a separate Nomination Committee, and as such succession planning is the responsibility of the full Board, and was a key focus throughout the year. The Board maintains a Board tenure table to support with forward planning for anticipated retirements and to ensure adequate time is available for a smooth transition of knowledge and responsibilities from outgoing Board members.

As a result of several directors having been appointed at the time of IPO, Mr Bond, Mr Budge and Mr Hyman have all reached their nine year tenure within a close timeframe.

As noted in last year's report, Mr Bond will retire following the Company's 2026 AGM. The Board commenced a formal recruitment process during the year, to identify a replacement for Mr Bond. The Company engaged Nurole, an independent external search consultancy with no connection to the Company or its Directors, and also utilised each Directors' professional networks. Through this combined process, a suitable candidate was identified and evaluated through the Company's standard assessment and interview process. After careful consideration, the Board approved the appointment of Mr Nigel Reynolds, effective 1 January 2026. Mr Reynolds will succeed Mr Bond as Chair of the Audit and Risk Committee upon his retirement later in the year. Mr Reynolds has substantial and significant financial experience, as detailed in his biography on page 43. Mr Reynolds will work closely with Mr Bond throughout the first half of 2026 to ensure an orderly handover of the Audit and Risk Committee Chair. Mr Reynolds will stand for election at the Company's 2026 AGM, whilst Mr Bond will not seek re-election.

Mr Budge, Senior Independent Director, will also retire following the Company's 2026 AGM and will not seek re-election at this meeting. Ms Shah will succeed Mr Budge as the Senior Independent Director. The Board has also commenced a recruitment process for an additional non-executive Director.

The Chairman, Mr Hyman, also reaches nine years' service in 2026. However, given the concurrent departures of Mr Bond and Mr Budge, and following consultation with the Company's advisers and shareholders, the Board has agreed that Mr Hyman will continue as Chairman of the Board until the end of 2026, to provide continuity and stability and to preserve corporate memory during this period of transition. The Board is satisfied that the Chairman continues to be independent in both character and judgement and there are no relationships or circumstances which are likely to affect the judgement of any Director. Mr Soderstrom will succeed Mr Hyman as Chairman of the Board at the end of 2026.

CULTURE

The culture of the Company, being an externally managed investment trust, reflects the combination of values and behaviours of the Board and the Investment Manager, and is influenced by the quality of their interactions with one another and with stakeholders. The Company's values focus on maintaining strong relationships with the Investment Manager and its service providers and providing constructive challenge in order to achieve the Company's investment objective.

The Chairman leads the Board and is responsible for its overall effectiveness in directing the Company. He demonstrates objective judgement, promotes a culture of openness and debate and facilitates constructive Board relations and the effective contribution of all Directors. In liaison with the Company Secretary, he ensures that the Directors receive accurate, timely and clear information. The Directors are required to act with integrity, lead by example and promote this culture within the Company.

The Board seeks to ensure the alignment of its purpose, values and strategy with this culture of openness, debate and integrity, and ensures the desired culture is embedded through ongoing dialogue and engagement with its service providers, principally the Investment Manager. The culture of the Board is considered as part of the annual performance evaluation process which is undertaken by each Director and the culture of the Company's service providers, including their policies, practices and behaviour, is considered by the Board as a whole during the annual review of the performance and continuing appointment of all service providers. The Board holds monthly update meetings with the Investment Manager and seeks to hold one Board meeting a year at Pharmakon's offices in New York. Such meetings enable the Directors to understand and observe the culture of the Investment Manager.

Further information on the Company's engagement with its stakeholders is set out on pages 28 to 30.

CHAIRMAN AND SENIOR INDEPENDENT DIRECTOR

The responsibilities of the Chairman and the Senior Independent Director (SID) have been agreed by the Board and are available on the Company's website.

The Chairman, Mr Hyman, is deemed by his fellow independent Board members to be independent in character and judgement and free of any conflicts of interest. He considers himself to have sufficient time to spend on the affairs of the Company. Mr Hyman has no significant commitments other than those disclosed in his biography on page 42.

As Senior Independent Director, Mr Budge acts as a sounding board for the Chairman, meets with major shareholders as appropriate, provides a channel for any shareholder concerns regarding the Chairman and takes the lead in the annual evaluation of the Chairman by the independent Directors. In the event of a period of stress, the Senior Independent Director would work with the Chairman, the other Directors, and/or shareholders to help resolve any issues.

BOARD OPERATION

There is a clear division of responsibilities between the Board and the Investment Manager, and the Board has adopted a formal schedule of matters specifically reserved for its approval.

- approval of the Company's investment policy, long-term objectives and commercial strategy;
- approval of the gearing policy of the Company;
- approval of Annual and Half-yearly Reports and financial statements and accounting policies, prospectuses, circulars and other shareholder communications;
- raising new capital;
- approval of dividends;
- Board appointments and removals;
- appointment and removal of the Investment Manager, Auditor and the Company's other service providers; and
- approval of the Company's annual expenditure budget.

BOARD MEETINGS

The Company has four scheduled Board meetings a year, and monthly update calls with the Investment Manager when there is no scheduled Board meeting. Additional meetings are arranged as necessary.

At each Board meeting, the Directors follow a formal agenda which is circulated in advance by the Company Secretary. The Company Secretary, the Administrator and the Investment Manager regularly provide the Board with financial information, including an annual expenses budget, together with briefing notes and papers in relation to changes in the Company's economic and financial environment, statutory and regulatory changes and corporate governance best practice. A description of the Company's risk management and internal control systems is set out in the Strategic Report on pages 32 to 38, and in the Corporate Governance Statement and Audit and Risk Committee Report on pages 51 and 52 respectively.

At each Board meeting, representatives from the Investment Manager are in attendance to present reports to the Directors covering the Company's current and future activities, portfolio of assets and its investment performance over the preceding period. The Board and the Investment Manager operate in a fully supportive, co-operative and open environment and ongoing communication with the Board is maintained between formal meetings.

AUDIT AND RISK COMMITTEE

The Board has established an Audit and Risk Committee to assist its operations. The Committee's delegated responsibilities are clearly defined in formal terms of reference, which are subject to annual review by the Board and are available on the Company's website.

The Committee comprises all Directors and is chaired by Mr Bond. Given the size and nature of the Board it is felt appropriate that all Directors are members of the Audit and Risk Committee. The Committee has direct access to the Company's Auditor, and provides a forum through which the Auditor reports to the Board. Representatives of the Auditor attend quarterly meetings of the Committee.

Further details about the Audit and Risk Committee and its activities during the year under review are set out on page 52.

MEETING ATTENDANCE

The number of scheduled Board and Audit and Risk Committee meetings held during the year ended 31 December 2025 and the attendance of the individual Directors is shown below:

	Board		Audit and Risk Committee*	
	Number entitled to attend	Number attended	Number entitled to attend	Number attended
Colin Bond	4	4	4	4
Duncan Budge	4	4	4	4
Harry Hyman	4	4	4	4
Stephanie Léouzon	4	4	4	4
Sapna Shah	4	4	4	4
Rolf Soderstrom	4	4	4	4

* Two additional Audit and Risk Committee meetings were held during the year to conduct a page turn review of the Interim and Annual Reports.

INDEPENDENCE OF DIRECTORS

The independence of the Directors is reviewed as part of the annual Board evaluation process. Each Director is considered to be independent in character and judgement and entirely independent of the Investment Manager. None of the Directors sit on the boards of any other companies managed by the Investment Manager.

A procedure for the induction of new Directors has been established, including the provision of an induction pack containing relevant information about the Company, its processes and procedures. New appointees have the opportunity of meeting with the Chairman, relevant persons at the Investment Manager and the Company Secretary.

RE-ELECTION AND RETIREMENT OF DIRECTORS

Under the Company's Articles and in accordance with the AIC Code, Directors are subject to election by shareholders at the first AGM after their appointment. Under the Company's Articles of Association, thereafter, at each AGM any Director who has not stood for re-election at either of the two preceding AGMs shall retire. In addition, one-third of the Directors eligible to retire by rotation shall retire from office at each AGM. However, in accordance with the AIC Code, the Board has agreed a policy whereby all Directors will seek annual re-election at the Company's Annual General Meetings.

Following formal performance review as detailed below, the Board strongly recommends the election/re-election of each of the Directors on the basis of their experience and expertise in investment matters, their independence and continuing effectiveness and commitment to the Company. As noted above, Mr Bond and Mr Budge will not seek re-election at the 2026 AGM.

DIVERSITY POLICY

In accordance with the AIC Code, the Board is comprised of a mixture of individuals who have an appropriate balance of skills and experience to meet the future opportunities and challenges facing the Company. Appointments are made first and foremost on the basis of merit and objective criteria taking into account the recognised benefits of all types of diversity. The Board ensures that diversity is an important consideration and part of the selection criteria used to assess candidates to achieve a balanced Board.

The Board supports the diversity and inclusion targets in the UK Listing Rules:

a) at least 40% of individuals on the Board to be women;

b) at least one senior Board position to be held by a woman; and

c) at least one individual on the Board to be from a minority ethnic background.

The Board recognises that at the date of this report, it is only compliant with target c) of the diversity and inclusion targets. As part of its ongoing succession planning, the Board has taken steps that will bring it to full compliance with all three Listing Rule diversity targets following the AGM in June 2026. Ms Shah will be appointed Senior Independent Director at that time, satisfying target b), and the decisions of Mr Bond and Mr Budge not to seek re-election at the AGM will result in the female representation on the Board increasing to 40%, thereby meeting target a).

The Board continues to develop succession plans to increase diversity on the Board, and will give due consideration to the recommendations of the FTSE Women Leaders Review, the Parker Review and the Listing Rules as part of future recruitment, alongside the established needs of the Company.

In accordance with UKLR 6 Annex 1R, the tables below set out the gender and ethnicity of the Directors as at 31 December 2025, collected through self-reporting by the Directors.

Following the appointment of Mr Reynolds on 1 January 2026, the gender ratio between the year end and the date of publication of this report changed to 71:29 male to female. However, after the AGM in June 2026, the gender ratio will change to 60:40 male to female.

Gender identity or sex	Number of Board members	Percentage on the Board %	Number of senior positions on the Board*
Men	4	67	2
Women	2	33	–
Not specified/prefer not to say	–	–	–

* The Listing Rules define senior positions as the Chairman and Senior Independent Director.

Ethnic background	Number of Board members	Percentage on the Board %	Number of senior positions on the Board
White British or other White (including minority white groups)	5	83	2
Mixed/Multiple Ethnic Groups	–	–	–
Asian/Asian British	1	17	–
Black/African/Caribbean/Black British	–	–	–
Other ethnic group	–	–	–
Not specified/prefer not to say	–	–	–

CONFLICTS OF INTEREST

It is the responsibility of each individual Director to avoid an unauthorised conflict of interest situation arising. The Director must request authorisation from the Board as soon as he/she becomes aware of the possibility of an interest that conflicts, or might possibly conflict, with the interests of the Company ("situational conflicts"). The Company's Articles authorise the Board to approve such situations, where deemed appropriate.

A register of conflicts is maintained by the Company Secretary and is reviewed at Board meetings, to ensure that any authorised conflicts remain appropriate. The Directors are required to confirm at these meetings whether there has been any change to their position.

The Board is responsible for considering Directors' requests for authorisation of situational conflicts and for deciding whether or not the situational conflict should be authorised. The factors to be considered will include: whether the situational conflict could prevent the Director from properly performing their duties; whether it has, or could have, any impact on the Company; and whether it could be regarded as likely to affect the judgement and/or actions of the Director in question. When the Board is deciding whether to authorise a conflict or potential conflict, only Directors who have no interest in the matter being considered are able to take the relevant decision, and in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors are able to impose limits or conditions when giving authorisation if they think this is appropriate in the circumstances.

PERFORMANCE REVIEW OF THE BOARD

The Directors are aware that they need to continually monitor and improve performance and recognise this can be achieved through regular Board evaluation, which provides a valuable feedback mechanism for improving Board effectiveness. The Board performance review in 2025 was undertaken internally by way of a questionnaire, facilitated by the Company Secretary. The results of the Board evaluation process are reviewed and discussed by the Board as a whole. The evaluation process is carried out annually. The Board last conducted an external performance review in 2023, therefore in accordance with provision 26 of the AIC Code, the Board will consider conducting an external Board evaluation in 2026.

The evaluation questionnaire was designed to assess the effectiveness of the Board, the Chairman, the Audit and Risk Committee and the individual Directors of the Company. The review focussed on several key areas, including, but not limited to, the Board's dynamics and composition, effectiveness of meetings, focus on strategy and direction of the Company, and stakeholder engagement.

The Board discussed the results of the performance review at its December meeting and agreed a number of actions to take into 2026. These included:

- Focus on succession planning and recruitment to ensure Board composition is aligned with the Company's future strategy and for the regular refreshment of the Board and in light of Board changes planned during 2026.
- Continuing to focus on the strategy for the future growth of the Company. As a result of the performance review, the Board have agreed to hold a strategy day in 2026.

The review concluded that the Board is effective at overseeing the management of the Company and safeguarding shareholders' interests. The Board maintains strong working relationships with the Investment Manager and the Company's service providers, and frequently challenges the Investment Manager in a constructive manner. The Board considers that all Directors contribute effectively and have the skills, experience and knowledge necessary to suit the achievement of the Company's long term strategy and that the Board operates effectively. The Board has satisfied itself that the Directors have enough time to devote to their duties as a Directors of the Company.

COMPANY SECRETARY

The Board has direct access to the advice and services of the Company Secretary, MUFG Corporate Governance Limited, which is responsible for ensuring that Board and Committee procedures are followed and that applicable regulations are complied with. The Company Secretary is also responsible to the Board for ensuring timely delivery of the information and reports which the Directors require and that the statutory obligations of the Company are met.

INTERNAL CONTROL REVIEW

The Board is responsible for the systems of internal controls relating to the Company, including the reliability of the financial reporting process and for reviewing the systems' effectiveness. The Directors have reviewed and considered the guidance supplied by the FRC on risk management, internal control and related finance and business reporting and an ongoing process has been established for identifying, evaluating and managing the principal risks faced by the Company. This process, together with key procedures established with a view to providing effective financial control, was in place during the year under review and at the date of this report.

The internal control systems are designed to ensure that proper accounting records are maintained, that the financial information on which business decisions are made and which is issued for publication is reliable, and that the assets of the Company are safeguarded.

The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Company's objectives. It should be recognised that such systems can only provide reasonable, not absolute, assurance against material misstatement or loss.

Throughout the year, the Board has been preparing to comply with provision 34 of the AIC Code, which is effective from 1 January 2026, and the Board will report on its compliance with provision 34 in its 2026 Annual Report. Further details on the readiness activities can be found in the Audit and Risk Committee Report on page 52.

The Directors have carried out a review of the effectiveness of the systems of internal control as they have operated over the year and up to the date of approval of the report and financial statements. There were no matters arising from this review that required further investigation and no significant failings or weaknesses were identified.

INTERNAL CONTROL ASSESSMENT PROCESS

Robust risk assessments and reviews of internal controls are undertaken regularly in the context of the Company's overall investment objective:

In arriving at its judgement of what risks the Company faces, the Board has considered the Company's operations in light of the following factors:

- the nature and extent of risks which it regards as acceptable for the Company to bear within its overall business objective;
- the threat of such risks becoming reality;
- the Company's ability to reduce the incidence and impact of risk on its performance;
- the cost to the Company and benefits related to the review of risk and associated controls of the Company; and
- the extent to which third parties operate the relevant controls.

A risk matrix has been produced against which the risks identified and the controls in place to mitigate those risks can be monitored. The risks are assessed on the basis of the likelihood of them happening, the impact on the business if they were to occur and the effectiveness of the controls in place to mitigate them. This risk matrix is reviewed twice a year by the Audit and Risk Committee and at other times as necessary.

The principal risks that have been identified by the Board are set out on pages 32 to 38.

The Board reviews financial information produced by the Investment Manager and the Administrator on a regular basis. Most functions for the day-to-day management of the Company are subcontracted, and the Directors therefore obtain regular assurances and information from key third-party suppliers regarding the internal systems and controls operated in their organisations. In addition, each third party is requested to provide a copy of its report on internal controls each year, which is reviewed by the Audit and Risk Committee.

This statement was approved by the Board of Directors and signed on its behalf by:

MUFG Corporate Governance Limited
Company Secretary
23 March 2026

FOR AND ON BEHALF OF MUFG CORPORATE GOVERNANCE LIMITED - COMPANY SECRETARY

Audit and Risk Committee Report

I am pleased to present the Audit and Risk Committee Report for the year ended 31 December 2025.

RESPONSIBILITIES OF THE COMMITTEE

The primary responsibilities of the Committee are as follows:

- to monitor the integrity of the financial statements of the Company, the financial reporting process and the accounting policies of the Company;
- to review the content of the Annual Report and financial statements and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- to keep under review the effectiveness of the Company's internal control environment and risk management systems;
- to review the scope and effectiveness of the audit process undertaken by the Auditor;
- to monitor compliance with laws, regulations and applicable ethical codes of practice;
- to make recommendations to the Board in relation to the appointment, reappointment or removal of the external Auditor and to approve its remuneration and terms of engagement;
- to review and monitor the Auditor's independence, objectivity and effectiveness, and the performance and quality of audit work produced by the Auditor; and
- to approve any non-audit services to be provided by the Auditor and monitor the level of fees payable in that respect.

ACTIVITIES IN THE YEAR

During the year, the Committee has:

- conducted a review of the internal controls and risk management systems of the Company and its third-party service providers;
- agreed the audit plan and fees with the Auditor in respect of the first and third quarter agreed upon procedures, the interim review of the Half-yearly Report for the period ended 30 June 2025 and the statutory audit of the Annual Report for the year ended 31 December 2025, including the principal areas of focus;
- received and discussed with the Auditor its report on the results of the review of the half-yearly financial statements and the year end audit;
- reviewed the Company's half-yearly and annual financial statements and recommended these to the Board for approval;
- examined in detail the methodology and assumptions applied in revaluing the assets of the Company;
- reviewed the valuation of the Company's assets on a quarterly basis;
- reviewed the Auditors' agreed-upon-procedures reports on aspects of the data underpinning the valuation process of the Company's assets for Q1 and Q3 of 2025; and
- reviewed and updated its Terms of Reference in line with the 2024 AIC Code and FRC Minimum Standard for Audit Committees (the "Minimum Standard").

MEETINGS

The Committee met six times during the year under review and once following the year end.

Details of the composition of the Committee are set out in the Corporate Governance Statement on page 49.

SIGNIFICANT ISSUES

The Committee considered a number of significant issues and areas of key audit risk in relation to the Company's financial statements during the year. A more detailed explanation of the consideration of the issues set out below, and the steps taken to manage them, is set out in the Principal Risks and Uncertainties on pages 32 to 38.

Valuation of unlisted investments

In the year under review, the Committee reviewed the valuation process of the Company's unlisted investments and the systems in place to ensure the accuracy of these valuations, particularly in view of the fact that the unlisted investments represent the principal element of the NAV. During the year, the Committee met on a quarterly as well as an ad hoc basis to conduct reviews of the investments held by the Company and was comfortable with the valuations given.

Internal controls

The Committee carefully considers the internal control systems by continually monitoring the services and controls of its third-party service providers. Further information on the Board's internal control assessment process can be found on page 51.

The Committee reviewed and updated the risk matrix during the year under review. This is done on a biannual basis. The Committee received a report on internal control and compliance from the Administrator and Registrar and no significant matters of concern were identified.

The Committee assessed whether any updates to its processes and procedures would be required to prepare to comply with Provision 34 of the AIC Corporate Governance Code ("AIC Code") (Provision 29 of the UK Corporate Governance Code ("UK Code")), which is effective for accounting periods beginning on or after 1 January 2026. As part of its readiness activities, the Committee engaged an independent third-party adviser to conduct a comprehensive review of the Company's governance and assurance frameworks.

The Committee reviewed the findings of this review and has since strengthened the documentation of the Company's internal control and risk management processes. Further steps taken by the Board included defining the scope of the Company's controls considered to be material and testing the effectiveness of these material controls. The Committee will provide an update on its compliance with Provision 34 of the AIC Code (Provision 29 of the UK Code) in the Company's 2026 Annual Report.

The Company does not have an internal audit function. During the year, the Committee reviewed whether an internal audit function would be of value and concluded that this would provide minimal additional comfort at considerable extra cost to the Company. While the Committee believes that the existing system of monitoring and reporting by third parties remains appropriate and adequate, it will continue, on an annual basis, to actively consider possible areas within the Company's controls environment which may need to be reviewed in detail and disclose any material weakness identified.

GOING CONCERN AND LONG-TERM VIABILITY OF THE COMPANY

The Committee considered the Company's financial requirements for the next 12 months and concluded that it has sufficient resources to meet its commitments. Consequently, the financial statements have been prepared on a going concern basis.

The Committee considered the longer-term viability statement within the Annual Report for the year ended 31 December 2025, covering a five-year period, as well as the underlying factors and assumptions which contributed to the Committee deciding that this was an appropriate length of time to consider the Company's long-term viability. The Company's viability statement can be found on page 39.

CONCLUSION IN RESPECT OF THE ANNUAL REPORT

The Committee has concluded that the Annual Report for the year ended 31 December 2025, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's business model, strategy and performance. In reaching this conclusion, the Committee drew on multiple layers of assurance, including detailed reviews undertaken by the Investment Manager, service providers and individual Directors, as well as the Company's internal control framework and the control assurance reports provided to the Committee by the Company's service providers. The Committee has reported on these findings to the Board.

AUDIT FEES AND NON-AUDIT SERVICES PROVIDED BY THE AUDITOR

The Committee reviewed the audit plan and fees presented by the Auditor and considered its report on the financial statements. Total fees for the year payable to the Auditor amounted to $390,910. This figure includes non-audit fees of $88,600 in respect of the interim review of the Half-yearly Report and financial statements for the period ended 30 June 2025 and in respect of quarterly agreed upon procedures over investment valuations. In accordance with the Company's policy on the provision of non-audit services, all non-audit services provided by the Auditor during the year were approved in advance by the Directors. Further information on the fees paid to the Auditor is set out in Note 4 to the financial statements.

The non-audit services provided by the Auditor during the year under review were assurance related, and the Committee firmly believes that Ernst & Young ("EY") have been best placed to provide them on a timely and cost-effective basis to the benefit of shareholders.

EFFECTIVENESS OF THE EXTERNAL AUDIT

The Committee reviews the effectiveness of the external audit carried out by the Auditor on an annual basis. The Chairman of the Committee maintained regular contact with the Company's Audit Partner throughout the year and met with them prior to the finalisation of the audit of the Annual Report and financial statements for the year ended 31 December 2025, without the Investment Manager present. The Chairman discussed with the Auditor how the external audit was carried out, the findings from the audit and whether any issues had arisen from the Auditor's interaction with the Company's various service providers. The Committee also considers the annual Audit Quality Reports on EY published by the Irish Auditing and Accounting Supervisory Authority and the FRC, as well as feedback from the Investment Manager and the Committee's own observations. The Committee has the opportunity to meet with the Audit Partner without the Investment Manager present following each Committee meeting.

INDEPENDENCE AND OBJECTIVITY OF THE AUDITOR

The Committee has considered the independence and objectivity of the Auditor and has conducted a review of non-audit services which the Auditor has provided during the year under review. The Committee receives an annual confirmation from the Auditor that its independence is not compromised by the provision of such non-audit services. Vincent Bergin is the Audit Partner allocated to the Company by EY. The audit of the financial statements for the year ended 31 December 2025 is his fourth audit as Audit Partner. The Committee is satisfied that the Auditor's objectivity and independence is not impaired by the performance of these non-audit services and that the Auditor has fulfilled its obligations to the Company and its shareholders.

AUDITOR TENURE

The Committee is mindful of the regulations on mandatory auditor rotation, which require a formal audit tender to be conducted every ten years.

EY was appointed as external auditor by shareholders at the AGM in 2022, following a competitive tender process in relation to the statutory audit of the Company in 2021. There are no contractual obligations in place that restrict the Company's choice of statutory auditor.

The Committee is satisfied that the Company has complied with the provisions of the Statutory Audit Services Order 2014.

REAPPOINTMENT OF THE AUDITOR

Following consideration of the performance of the Auditor, the services provided during the year and a review of its independence and objectivity, the Committee is satisfied with the performance and ongoing quality and independence of EY as external Auditor. Consequently, the Committee has recommended to the Board that a resolution to re-appoint EY as Auditor be put to shareholders at the 2026 AGM.

Colin Bond
Audit and Risk Committee Chairman
23 March 2026

Remuneration Report

STATEMENT FROM THE CHAIRMAN

I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2025.

As set out in the Corporate Governance Statement on page 47, the Directors' remuneration and the Remuneration Policy is determined by the Board as a whole. The Board does not consider it necessary to have a separate Remuneration Committee, as all directors are non-executive and independent of the Investment Manager. The Board reviews Directors' fees on an annual basis, in December each year. During the year ended 31 December 2025, the annual fees were as follows:

Chairman	$124,500
Chairman of the Audit and Risk Committee	$105,800
Director	$87,200

The Board reviewed Directors' remuneration at its meeting in December 2025, taking into account a number of factors including recent and relevant benchmarking analysis produced by Trust Associates and broader inflationary increases since that time. Following consideration, the Board agreed that, with effect from 1 January 2026, the annual fees for the Chairman, the Chairman of the Audit and Risk Committee and for a Director should be increased by 4 per cent., rounded to the nearest $100.

Consequently, the revised fee levels for Directors' remuneration for the year ending 31 December 2026 will be as follows:

Chairman	$129,500
Chairman of the Audit and Risk Committee	$110,000
Director	$90,800

The Directors' Remuneration Report is put to a shareholder vote on an annual basis.

The Directors' Remuneration Policy is put to a shareholder vote in the first year of a company or in any year where there is to be a change to the policy and, in any event, at least once every three years. The Directors' Remuneration Policy was last approved by shareholders in 2024 and it will therefore next be put to shareholders at the AGM to be held in 2027. There will be no significant change in the way the current, approved Remuneration Policy will be implemented during the course of the next financial year.

VOTING AT AGM

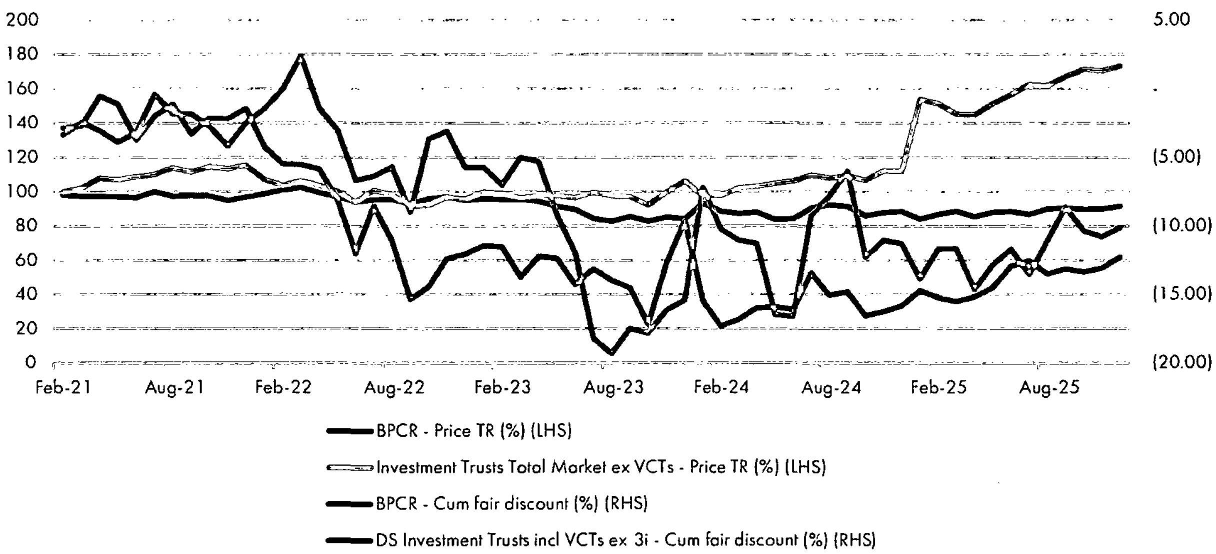
The Directors' Remuneration Report for the year ended 31 December 2025 was approved at the AGM on 9 June 2025 and the Directors' Remuneration Policy was approved by shareholders at the AGM on 12 June 2024. The votes cast were as follows:

	Directors Remuneration Report (2025 AGM)		Directors Remuneration Policy (2024 AGM)	
	Number of votes	% of votes cast	Number of votes	% of votes cast
For	579,743,647	99.96	558,551,021	99.96
Against	225,063	0.04	227,616	0.04
At Chairman's discretion	–	–	–	–
Total votes casted	579,968,710	100.00	558,778,637	100.00
Number of Votes withheld	4,062,691	–	201,340	–

PERFORMANCE OF THE COMPANY

The graph below compares the total return to Ordinary Shareholders compared to the Investment Trusts Total Market ex VCTs Indices as a market reference for investors. The index was selected to serve as a comparative performance reference point to help shareholders understand how the Company is doing relative to similar strategies or markets.

Relative Share Performance of Company in terms of Total Share Return[1]



DIRECTORS' REMUNERATION FOR THE YEAR ENDED 31 DECEMBER 2025 (AUDITED)

The remuneration paid to the Directors during the year ended 31 December 2025 is set out in the table below (USD):

	Remuneration		Expenses		Total	
	Year ended 31 December 2025	Year ended 31 December 2024	**Year ended 31 December 2025**	Year ended 31 December 2024	**Year ended 31 December 2025**	Year ended 31 December 2024
Harry Hyman	124,500	118,600	5,794	5,634	130,294	124,234
Colin Bond	105,800	100,800	15,619	11,749	121,419	112,549
Duncan Budge	87,200	83,000	–	5,501	87,200	88,501
Stephanie Leouzon	87,200	83,000	13,394	7,138	100,594	90,138
Rolf Soderstrom	87,200	83,000	4,734	5,854	91,934	88,854
Sapna Shah	87,200	83,000	6,533	4,510	93,733	87,510
Nigel Reynolds[2]	–	–	–	–	–	–

[1] Past performance is not an indication of future performance.

[2] Appointed as Director 1 January 2026

Remuneration Report continued

The annual percentage change in remuneration paid to the Directors is set out in the table below (USD):

	% change from 2024 to 2025	% change from 2023 to 2024	% Change from 2022 to 2023	% Change from 2021 to 2022
Harry Hyman	**5%**	8%	5%	5%
Colin Bond	**5%**	8%	5%	5%
Duncan Budge	**5%**	8%	5%	5%
Stephanie Leouzon	**5%**	8%	5%	5%
Rolf Soderstom	**5%**	8%	5%	5%
Sapna Shah	**5%**	38%[1]	–	–
Nigel Reynolds[2]	**–**	–	–	–

[1] Appointed as a Director on 22 March 2023 and was paid on a pro rata basis until the year ended 31 December 2023.

[2] Appointed as director 1 January 2026

RELATIVE IMPORTANCE OF SPEND ON PAY

The table below sets out in respect of the year ended 31 December 2025:

a) the remuneration paid to the Directors;

b) the Investment management fee;

c) the Investment Manager's performance fee;

d) the distributions made to shareholders by way of dividend; and

e) the spend on buybacks including stamp duty.

	Year ended 31 December 2025 $	Year ended 31 December 2024 $	**Change %**
Directors' remuneration	579,100	551,400	5.02
Investment management fee	11,297,826	11,996,555	(5.82)
Investment Manager's performance fee	14,430,513	13,574,065	6.31
Dividends paid to shareholders	110,377,903[1]	174,662,511[2]	(36.81)
Buyback spend including stamp duty	50,324,716	106,698,728	(52.83)

[1] Amount shown represents dividends paid in respect to the four quarters 31 December 2024 through 30 September 2025. Past performance is not indicative of future performance.

[2] Dividends paid to shareholders in 2024 include a dividend of $48.9 million that became payable on 5 January 2024. In accordance with AIC SORP guidelines, this dividend was excluded from the annual report for the year ended 31 December 2023. Excluding this amount, total dividends for 2024 would have been $125.8 million, and the year on year change between 2024 and 2025 would have been 12.27 per cent. Amount shown represents dividends paid in respect to the five quarters 30 September 2023 through 30 September 2024. Past performance is not indicative of future performance.

The investment management fee and Investment Manager's performance fee have been selected as they represent a significant payment from the Company to its investment manager. Further details on their calculation can be found in Note 4.

Remuneration Report continued

DIRECTORS' REMUNERATION FOR THE YEAR ENDED 31 DECEMBER 2025 (AUDITED) (CONTINUED)

There is no requirement under the Company's Articles for Directors to hold Shares in the Company.

As at 31 December 2025, the interests of the Directors and any connected persons in the Ordinary Shares in issue of the Company are set out below:

	Year ended 31 December 2025 Number of Shares	Year ended 31 December 2024 Number of Shares
Harry Hyman	104,057[1]	103,725[2]
Colin Bond	100,000	100,000
Duncan Budge[3]	100,000	100,000
Stephanie Leouzon	nil	nil
Rolf Soderstom[4]	200,000	200,000
Sapna Shah	96,990	96,990
Nigel Reynolds	nil	nil

1 4,057 of these shares are held by a person closely associated with Mr Hyman.

2 3,725 of these shares were held by a person closely associated with Mr Hyman.

3 The legal and beneficial interest in 50% of Mr Budge's shares is held by a person closely associated with Mr Budge.

4 The legal and beneficial interest in 50% of Mr Soderstrom's shares is held by a person closely associated with Mr Soderstrom.

There have been no changes in any of the Directors' shareholdings as detailed above since the year end and up to the date of this report.

None of the Directors or any persons closely associated with them had a material interest in the Company's transactions, arrangements or agreements during the year.

Remuneration Policy

INTRODUCTION

The Directors' Remuneration Policy is put to a shareholder vote at least once every three years and in any year if there is to be a change in the Directors' Remuneration Policy. A resolution to approve this Remuneration Policy was proposed at the annual general meeting of the Company held on 12 June 2024. The Company's Remuneration Policy, is set out below.

POLICY

The Company follows the recommendation of the AIC Code that Non-executive Directors' remuneration should reflect the time commitment and responsibilities of the role. The Board's policy is that the remuneration of Non-executive Directors should reflect the experience of the Board as a whole, and be determined with reference to comparable organisations and appointments.

All Directors are Non-executive, appointed under the terms of letters of appointment. There are no service contracts in place.

DIRECTORS' FEE LEVELS

The Company has no employees. In line with the majority of investment trusts, there are no performance conditions attached to the remuneration of the Directors as the Board does not consider such arrangements or benefits necessary or appropriate for Non-executive Directors.

The Board has set three levels of fees: for a Director, for the Chairman of the Audit and Risk Committee and for the Chairman of the Board. Fees are reviewed annually in accordance with the above policy. The fee for any new Director appointed to the Board will be determined on the same basis.

The approval of shareholders would be required to increase the aggregate limit of $750,000, as set out in the Company's Articles. The Company is committed to ongoing shareholder dialogue and any views expressed by shareholders on the fees being paid to Directors would be taken into consideration by the Board when reviewing the Directors' Remuneration Policy and in the annual review of Directors' fees.

APPROVAL

The Directors' Remuneration Report was approved by the Board and signed on its behalf by:

Harry Hyman
Chairman
23 March 2026

Statement of Directors' Responsibilities

In respect of the Financial Statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK adopted International Accounting Standards ("UK IAS").

Under company law, 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 of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK IASs have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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 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 and the Directors' Remuneration Report comply with the Companies Act 2006. The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' CONFIRMATIONS

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

Each of the directors, whose names and functions are listed in the Board of Directors section on pages 42 to 43 confirm that, to the best of their knowledge:

- the company financial statements, which have been prepared in accordance with UK IASs, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board

Harry Hyman
Chairman
23 March 2026

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIOPHARMA CREDIT PLC

OPINION

We have audited the financial statements of BioPharma Credit PLC for the year ended 31 December 2025 which comprise the Statement of comprehensive income, the Statement of changes in equity, the Statement of financial position, the Cash flow statement, and the related notes 1 to 19, including material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2025 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.

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

INDEPENDENCE

We are 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 public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.

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:

- assessing the relevance and reliability of underlying data and key assumptions used in managements valuation model, such as income and paydown forecasts used;
- evaluating management's plans for future actions in relation to their going concern assessment;
- assessing market altering factors such as pandemics by looking at the operational impact; and assessing the appropriateness of the going concern disclosures in the financial statements.

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 they have 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

OVERVIEW OF OUR AUDIT APPROACH

Key audit matters
• Valuation of unlisted investments • Risk of error arising from the use of end user computing related to the valuation of unlisted investments
Materiality
• Overall materiality of $11.50 million which represents 1% of net assets.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

TAILORING THE SCOPE

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality

determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, the potential impact of climate change and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

CLIMATE CHANGE

Stakeholders are increasingly interested in how climate change will impact BioPharma Credit PLC. The Company has determined that the most significant future impacts from climate change on its operations will be from the Company's generally limited ability to influence its portfolio companies. These are explained on pages 22 to 25 in the Strategic Report. These disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Company's business and any consequential material impact on its financial statements.

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. These matters included 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 our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Valuation of unlisted investments ($1,028 million; 2024: $1,162 million) Refer to the Audit and Risk Committee Report (page 52); Accounting policies (page 73); and Note 7 of the Financial Statements (page 83) There is a risk of material misstatement relating to management override of controls over the calculation of the rate used to discount future cash flows for unlisted investments, and in certain circumstances, the estimation of the timing of those cash flows. The process involves manual input of a discount rate and the expected future timing of cash flows. The discount rate has a higher likelihood of material misstatement due to complexity and subjectivity of the judgements made across a number of investments. We identified this risk as having an element of management override of control and hence this significant risk is also a fraud risk.	To test the valuation of unlisted investments, our audit procedures included, among others • gaining an understanding of the controls over the discount rates applied and the risk of management override of such controls • reviewing the latest available information for each of the borrowers, in particular, focusing on evidence of changes in credit risk including through incremental borrowing from third parties • considering evidence of changes in general market rates arising from transactions involving third parties • considering whether likely changes in cash flows have been considering management's estimates • involving a valuation team with specialised knowledge in assessing the discount rates applied to certain loans, and reviewing and challenging any observations made on their reasonableness • performing sensitivity analysis of the impact of changes in certain assumptions used on the fair value in the model	We concluded that the valuation of unlisted investments is materially correct based on our procedures performed.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Risk of error arising from the use of End User Computing related to the valuation of unlisted investments ($1,028 million; 2024: $1,162 million) Refer to the Audit and Risk Committee Report (page 52); Accounting policies (page 73); and Note 7 of the Financial Statements (page 83) There is a risk of errors in the asset models from which the fair value of the unlisted investments, disclosed discount rates, and discount rate sensitivities are derived. The asset models are prepared in Microsoft Excel and are of a manual nature which involve complex calculations and manual inputs including updates from amendments to loan agreements which are subject to error.	To test the end user computing models, our audit procedures included, among others, • Gaining an understanding and evaluating the design and implementation of the controls over the manual inputs (for example, amendments to loan terms in the period) to the asset model to ensure the inputs used in the calculations are correct. • Reperforming model calculations to consider whether they were materially correct • Agreeing key inputs to the models to agreements or other supporting documentation • Considering whether all amendments to loan agreements have been considered in the models for all investments.	We concluded that the valuation of unlisted investments, disclosed discount rates, and discount rate sensitivities are materially correct based on our procedures performed

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

MATERIALITY

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be $11.5 million (2024: $11.80 million), which is 1% (2024: 1%) of net assets. We believe that net assets provides us with an appropriate basis for determining materiality as it is an important measure of performance for users of the financial statements.

PERFORMANCE MATERIALITY

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2024: 50%) of our planning materiality, namely $8.6 million (2024: $5.9 million). We have set performance materiality at this percentage to ensure that the risk of errors exceeding performance materiality was appropriately managed. The performance materiality changed to 75% due to the stable operating environment.

REPORTING THRESHOLD

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of $0.6 million (2024: $0.6 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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 directors' reports have been prepared in accordance with applicable legal requirements;

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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 directors' report.

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
- 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

CORPORATE GOVERNANCE STATEMENT

We have reviewed 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 by the UK Listing Rules.

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:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 53,
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 39;
- Director's statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 39 ;
- Directors' statement on fair, balanced and understandable set out on page 59;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 32;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 51; and;
- The section describing the work of the audit committee set out on page 52

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 59, 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.

Explanation as to what extent the audit was considered 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 irregularities, including fraud. 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 or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

- However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the Companies Act 2006, Section 1158 of the Corporation Tax Act 2010, the Listing Requirements of the London Stock Exchange, the AIC SORP 2025 and The Companies (Miscellaneous Reporting) Regulations 2018.
- We understood how Company is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas, and corroborated this by reviewing supporting documentation such as the compliance manual, correspondence with relevant authorities and minutes of meetings of the Board of Directors and of the audit committee. We also attended meetings of the audit committee during the period.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by discussing with management to understand where they considered there was a susceptibility to fraud; and assessing any whistleblowing incidences for those with a potential financial reporting impact. We considered the internal control environment of the group to address material misstatements, or that otherwise prevent, deter and detect fraud and how management monitors these controls including the risk of management override of controls.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management, external legal counsel, and those charged with governance.

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

OTHER MATTERS WE ARE REQUIRED TO ADDRESS

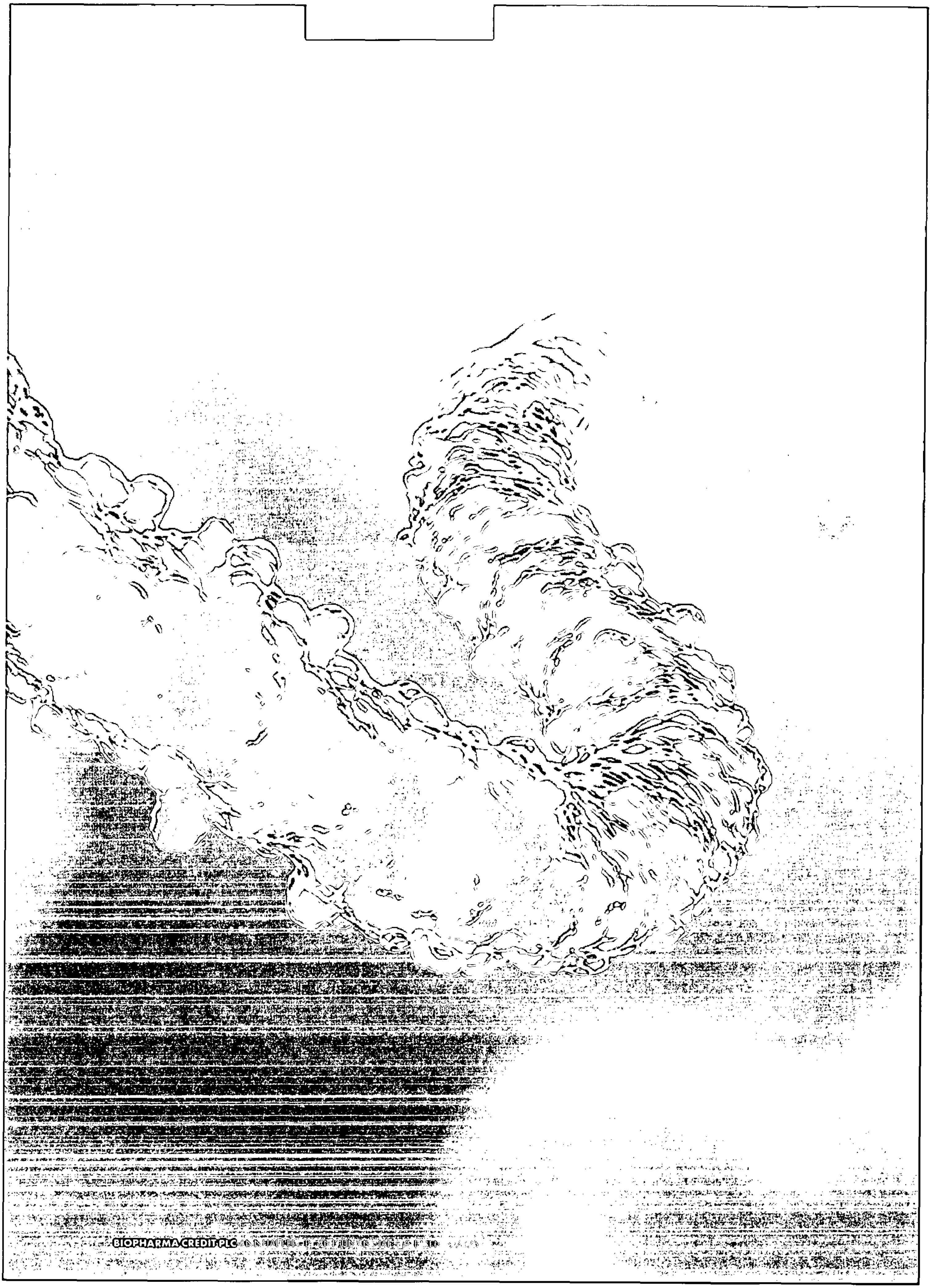
- Following the recommendation from the audit committee, we were appointed by the Company on 9 June 2022 to audit the financial statements for the year ending 31 December 2022 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is 4 years, covering the years ending 2022 to 2025.
- The audit opinion is consistent with the additional report to the audit committee.

USE OF OUR REPORT

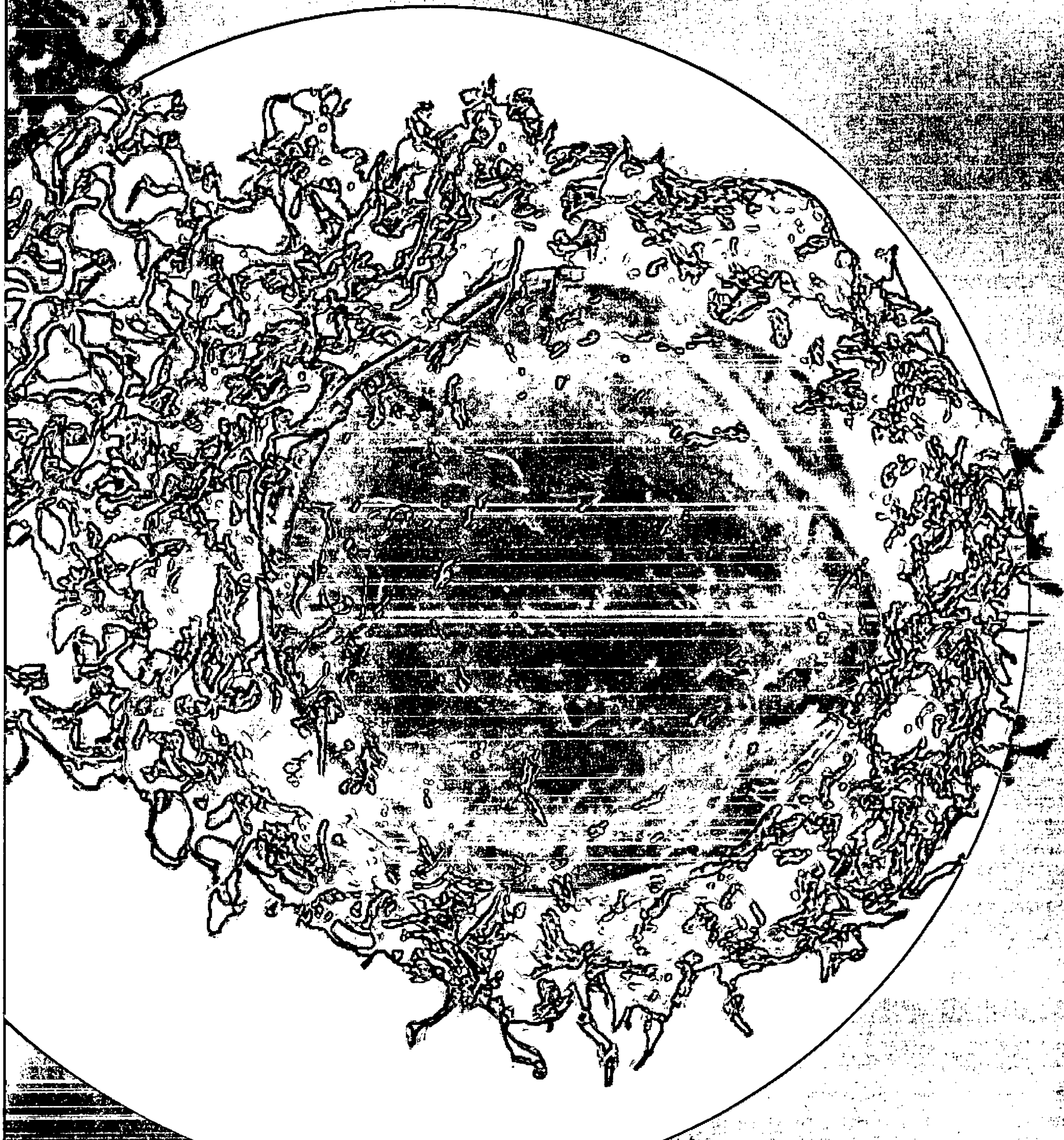
This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other 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.

Vincent Bergin (Senior statutory auditor)
for and on behalf of Ernst & Young Chartered Accountants, Statutory Auditor

Dublin
23 March 2026


BIOPHARMA CREDIT PLC

FINANCIAL STATEMENTS



Statement of Comprehensive Income

For the year ended 31 December 2025 (in $000s except per share amounts)

		Year ended 31 December 2025			Year ended 31 December 2024		
	Note	**Revenue**	**Capital**	**Total**	Revenue	Capital	Total
Income							
Investment income	3	139,746	–	139,746	148,630	–	148,630
Other income	3	485	–	485	1,490	–	1,490
Net gains/(losses) on investments at fair value	7	–	17,516	17,516	–	(90)	(90)
Net currency exchange gains/(losses)		–	37	37	–	(2)	(2)
Total income/(expense)		**140,231**	**17,553**	**157,784**	**150,120**	**(92)**	**150,028**
Expenses							
Management fee	4	(11,298)	–	(11,298)	(11,997)	–	(11,997)
Performance fee	4	(14,431)	–	(14,431)	(13,574)	–	(13,574)
Directors' fees	4	(579)	–	(579)	(551)	–	(551)
Other expenses	4	(1,589)	–	(1,589)	(1,728)	–	(1,728)
Total expenses		**(27,897)**	**–**	**(27,897)**	**(27,850)**	**–**	**(27,850)**
Return on ordinary activities after finance costs and before taxation		**112,334**	**17,553**	**129,887**	**122,270**	**(92)**	**122,178**
Taxation on ordinary activities	5	–	–	–	–	–	–
Return on ordinary activities after finance costs and taxation		**112,334**	**17,553**	**129,887**	**122,270**	**(92)**	**122,178**
Net revenue and capital return per ordinary share (basic and diluted)	11	**$0.0986**	**$0.0154**	**$0.1140**	**$0.1000**	**($0.0001)**	**$0.0999**

The total column of this statement is the Company's Statement of Comprehensive Income prepared in accordance with UK IAS. The supplementary revenue and capital columns are presented for information purposes as recommended by the Statement of Recommended Practice ("SORP") issued by the Association of Investment Companies ("AIC").

All items in the above Statement derive from continuing operations.

There is no other comprehensive income, and therefore the return on ordinary activities after finance costs and taxation is also the total comprehensive income.

The notes on pages 72 to 98 form part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2025 (In $000s)

For the year ended 31 December 2025	Note	Share capital	Share premium account	Special distributable reserve[1]	Capital reserve[1]	Revenue reserve[1]	Total equity attributable to shareholders of the Company
Net assets attributable to shareholders at 1 January 2025		13,739	607,125	548,561	(21,883)	34,136	1,181,678
Return on ordinary activities after finance costs and taxation		–	–	–	17,553	112,334	129,887
Dividends paid to Ordinary Shareholders	6	–	–	–	–	(110,378)	(110,378)
Cost of shares bought back for treasury		–	–	(50,325)	–	–	(50,325)
Net assets attributable to shareholders at 31 December 2025		**13,739**	**607,125**	**498,236**	**(4,330)**	**36,092**	**1,150,862**

For the year ended 31 December 2024	Note	Share capital	Share premium account	Special distributable reserve[1]	Capital reserve[1]	Revenue reserve[1]	Total equity attributable to shareholders of the Company
Net assets attributable to shareholders at 1 January 2024		13,739	607,125	655,260	(21,791)	86,528	1,340,861
Return on ordinary activities after finance costs and taxation		–	–	–	(92)	122,270	122,178
Dividends paid to Ordinary Shareholders	6	–	–	–	–	(174,662)	(174,662)
Cost of shares bought back for treasury		–	–	(106,699)	–	–	(106,699)
Net assets attributable to shareholders at 31 December 2024		**13,739**	**607,125**	**548,561**	**(21,883)**	**34,136**	**1,181,678**

[1] The special distributable and revenue reserves can be distributed in the form of a dividend net of any deficit in the capital reserve. The total distributable amount as at 31 December 2025 was $530 million (2024: $560.8 million). In order to maintain its status as an investment trust, the Company must pay out all income in the form of dividends.

The notes on pages 72 to 98 form part of these financial statements.

Statement of Financial Position

As at 31 December 2025 (In $000s except per share amounts)

	Note	31 December 2025	31 December 2024
Non-current assets			
Investments at fair value through profit or loss	7	1,102,232	1,162,200
		1,102,232	**1,162,200**
Current assets			
Trade and other receivables	8	53,600	31,797
Cash and cash equivalents	9	12,587	5,620
		66,187	**37,417**
Total assets		**1,168,419**	**1,199,617**
Current liabilities			
Trade and other payables	10	17,557	17,884
Total current liabilities		**17,557**	**17,884**
Total assets less current liabilities		**1,150,862**	**1,181,733**
Non-current liabilities			
Deferred income	10	–	55
Net assets		**1,150,862**	**1,181,678**
Represented by:			
Share capital	13	13,739	13,739
Share premium account		607,125	607,125
Special distributable reserve		498,236	548,561
Capital reserve		(4,330)	(21,883)
Revenue reserve		36,092	34,136
Total equity attributable to shareholders of the Company		**1,150,862**	**1,181,678**
Net asset value per ordinary share (basic and diluted)	12	**$1.0192**	**$0.9963**

The financial statements of BioPharma Credit PLC registered number 10443190 were approved and authorised for issue by the Board of Directors on 23 March 2026 and signed on its behalf by:

Harry Hyman
Chairman

23 March 2026

The notes on pages 72 to 98 form part of these financial statements.

Cash Flow Statement

For the year ended 31 December 2025 (In $000s)

	Note	Year ended 31 December 2025	Year ended 31 December 2024
Cash flows from operating activities			
Investment income received		117,897	136,563
Other income received		475	1,925
Investment management fee paid		(11,383)	(12,330)
Performance fee paid		(13,574)	(12,044)
Other expenses paid		(2,320)	(2,202)
Net cash flow generated from operating activities		**91,095**	**111,912**
Cash flow from investing activities			
Purchase of investments[1]		(83,750)	–
Sales of investments[1]		161,234	39,072
Net cash flow generated from investing activities		**77,484**	**39,072**
Cash flow from financing activities			
Dividends paid to Ordinary shareholders	6	(110,378)	(174,662)
Share buybacks[2]		(51,271)	(105,753)
Net cash flow used in financing activities		**(161,649)**	**(280,415)**
Increase/(decrease) in cash and cash equivalents for the year		**6,930**	**(129,431)**
Cash and cash equivalents at start of year	9	5,620	135,053
Revaluation of foreign currency balances		37	(2)
Cash and cash equivalents at end of year	9	**12,587**	**5,620**

1 BPCR Limited Partnership investments not included.

2 In 2025 the Company repurchased 56,828,879 shares, which is 4.14 per cent. of the total shares of the Company, at an average share price of 89 cents (2024: the Company repurchased 116,622,535 shares, which is 8.5 per cent. of the total shares of the Company, at an average share price of 91 cents.)

The notes on pages 72 to 98 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2025

1. GENERAL INFORMATION

BioPharma Credit PLC is a closed-ended investment company incorporated and domiciled in England and Wales on 24 October 2016 with registered number 10443190. The registered office of the Company is 19th Floor, 51 Lime Street, London, EC3M 7DQ.

The Company carries on the business as an investment trust company within the meaning of Sections 1158/1159 of the Corporation Tax Act 2010.

The Company is the ultimate parent of the group, with three subsidiaries. Please see note 14 for further information.

The Company's Investment Manager is Pharmakon Advisors LP ("Pharmakon"). Pharmakon is a limited partnership established under the laws of the State of Delaware. It is registered as an investment adviser with the Securities and Exchange Commission ("SEC") under the United States Investment Advisers Act of 1940, as amended.

Pharmakon is authorised as an Alternative Investment Fund Manager ("AIFM") under the Alternative Investment Fund Managers Directive ("AIFMD"). Pharmakon has, with the consent of the Directors, delegated certain administrative duties to Waystone Administration Solutions (UK) Limited.

2. ACCOUNTING POLICIES

A) BASIS OF PREPARATION

The Company's annual financial statements covers the year from 1 January 2025 to 31 December 2025 and have been prepared in accordance with UK-adopted International Accounting Standards (UK IAS) and as applied in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the Financial Conduct Authority (FCA) and the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" (the "AIC SORP") issued by "The Association of Investment Companies" (issued in July 2022) for the financial statements of investment trust companies and venture capital trusts, except to any extent where it is not consistent with the requirements of UK IAS. The financial statements have been prepared in accordance with the Companies Act 2006, as applicable to companies reporting under those standards.

The financial statements are presented in US dollars, being the functional currency of the Company and rounded to the nearest thousand, except where otherwise indicated. The financial statements have been prepared on a going concern basis under historical cost convention, except for the measurement at fair value of investments measured at fair value through profit or loss.

ASSESSMENT AS AN INVESTMENT ENTITY

Entities that meet the definition of an investment entity within IFRS 10 "Consolidated Financial Statements" are required to measure their subsidiaries at fair value through profit or loss rather than consolidate the entities. The criteria which define an investment entity are as follows:

- an entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- an entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- an entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Directors have concluded that the Company meets the characteristics of an investment entity, in that it has more than one investor and its investors are not related parties; holds a portfolio of investments, predominantly in the form of loans which generates returns through interest income. All investments, including its subsidiary BPCR Limited Partnership, are reported at fair value to the extent allowed by UK IAS.

B) PRESENTATION OF STATEMENT OF COMPREHENSIVE INCOME

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 Statement of Comprehensive Income between items of a revenue and capital nature has been prepared alongside the Income Statement.

C) SEGMENTAL REPORTING

The Directors are of the opinion that the Company has one operating and reportable segment being the investment in debt assets primarily secured by cash flows, including royalties, derived from the sale of approved life sciences products.

2. ACCOUNTING POLICIES (CONTINUED)

D) INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

The principal activity of the Company is to invest in interest-bearing debt assets with a contractual right to future cash flows derived from royalties or sales of approved life sciences products. Most of the Company's investments are held indirectly via its subsidiary, BPCR Limited Partnership. In accordance with UK IAS, the financial assets are measured at fair value through profit or loss. They are accounted for on their trade date at fair value, which is equivalent to the cost of the investment. The fair value of the asset reflects any contractual amortising balance.

The fair value hierarchy consists of the following three levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Valuation techniques using observable inputs
- Level 3 – Valuation techniques using significant unobservable inputs

Level 1 investments are priced by unadjusted quoted prices in active markets.

Level 2 investments may be valued using market data obtained from external, independent sources. The data used could include quoted prices for similar assets and liabilities in active markets, prices for identical or similar assets and liabilities in inactive markets, or models with observable inputs.

For unlisted level 3 investments where the market for a financial instrument is not active, fair value is established using valuation techniques in accordance with the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines (issued in December 2022), which may include recent arm's length market transactions between knowledgeable, willing parties, if available, 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 proved reliable from estimates of prices obtained in actual market transactions, that technique is utilised. More information can be found in Note 2(n) below.

Unlisted investments often require the manager to make estimates and judgements and apply assumptions or subjective judgement to future events and other matters that may affect fair value. For unlisted investments valued using a discounted cash flow analysis, the key judgements are the size of the market, pricing, projected sales of the product at trade date and future growth and other factors that will support the repayment of a senior secured or royalty debt instrument.

Changes in the fair value of investments held at fair value through profit or loss, and gains or losses on disposal, are recognised in the Statement of Comprehensive Income as gains or losses from investments held at fair value through profit or loss. Transaction costs incurred on the purchase and disposal of investments are included within the cost or deducted from the proceeds of the investments. All purchases and sales are accounted for on trade date.

E) FOREIGN CURRENCY

Transactions denominated in currencies other than US dollars are recorded at the rates of exchange prevailing on the date of the transaction. Items which are denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in the Statement of Comprehensive Income.

F) INCOME

There are seven main sources of revenue for the Company: interest income, income from subsidiaries, royalty revenue, make-whole and prepayment income, dividends, exit consideration and the gain or loss on marketable securities.

Interest income is recognised when it is probable that the economic benefits will flow to the Company. Interest is accrued on a time basis, by reference to the principal outstanding and the effective interest rate that is applicable. Accrued interest is included within trade and other receivables on the Statement of Financial Position.

The Company recognises accrued income for investments that it holds directly. The Company also holds an investment in BPCR Limited Partnership, its wholly owned subsidiary which it measures at fair value through profit or loss rather than being consolidated. BPCR Limited Partnership also recognises accrued income for investments it holds directly. When the accrued income is recorded at BPCR Limited Partnership, the Company recognises the income in capital within the Statement of Comprehensive Income. When the Company's right to receive the income is established, funds are transferred from the Partnership to the Company and income is transferred to revenue within the Statement of Comprehensive Income.

2. ACCOUNTING POLICIES (CONTINUED)

F) INCOME (CONTINUED)

Make-whole and prepayment income is recognised when payments are received by BPCR Limited Partnership and transferred from the Partnership to the Company and is recorded to revenue within the Statement of Comprehensive Income.

Dividends are receivable on equity shares and 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. Dividends from investments in unquoted shares and securities are recognised when they become receivable.

Some investments include additional consideration in the form of structuring fees, which are paid on completion of the transaction. As the investments are classified as level 3 in the fair value hierarchy, there is no observable evidence of the fair value of the investments excluding the fees, therefore the fees should be included in the day one fair value of the investments. Such fees are included in the fair value of the investment and released to the Statement of Comprehensive Income over the life of the investment. We consider incorporating the fees in the fair value gains and losses over the life of the loans to be more reflective of the period over which the benefit is received. These fees are allocated to revenue within the Statement of Comprehensive Income.

Bank interest and other interest receivable are accounted for on an accruals basis.

G) DIVIDENDS PAID TO SHAREHOLDERS

The Company intends to pay dividends in US Dollars on a quarterly basis, however, shareholders can elect to have dividends paid in sterling. The Company may, where the Directors consider it appropriate, use the reserve created by the cancellation of its share premium account to pay dividends.

The Company intends to comply with the requirements for maintaining investment trust status for the purposes of section 1158 of the Corporation Tax Act 2010 (as amended) regarding distributable income. As such, the Company will distribute amounts such that it does not retain in respect of an accounting period an amount greater than 15 per cent. of its income (as calculated for UK tax purposes) for that period.

H) EXPENSES

All expenses are accounted for on an accruals basis. Expenses, including investment management fees, performance fees and finance costs, are charged through the revenue account except as follows:

- expenses which are incidental to the acquisition or disposal of an investment are treated as capital costs and separately identified and disclosed in Note 4; and
- expenses of a capital nature are accounted for through the capital account.

The performance fee is calculated in accordance with the details in Note 4(b). Any performance fee triggered, whether payable or deferred, is recognised in the Statement of Comprehensive Income. Where a performance fee is payable it is treated as a current liability in the Statement of Financial Position. Where a performance fee is deferred for more than a year, it is treated as a non-current liability in the Statement of Financial Position. It becomes payable to the Investment Manager at the end of the first performance period in respect to which the compounding condition is satisfied.

I) TRADE, OTHER RECEIVABLES AND OTHER ASSETS

Trade, other receivables and other assets is recognised and carried at amortised cost as the Company collects contractual interest payments from its borrowers. An allowance for estimated unrecoverable amounts are measured and recognised where necessary. The Company assesses, on a forward-looking basis, the expected losses associated with its trade and other receivables.

J) CASH AND CASH EQUIVALENTS

Cash comprises cash in hand and demand deposits, which accrues interest. Cash equivalents are level 1 assets on the fair value hierarchy and are short-term with original maturities of three months or less and highly liquid investments, that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Cash and cash equivalents includes interest and income from money market funds.

2. ACCOUNTING POLICIES (CONTINUED)

K) TRADE AND OTHER PAYABLES

Trade and other payables are recognised and carried at amortised cost, do not carry any interest and are short-term in nature.

L) TAXATION

It is the intention of the Directors to conduct the affairs of the Company so as to satisfy the conditions by HMRC as an investment trust under section 1158 of the Corporation Tax Act 2010 (as amended) and pursuant to regulations made under section 1159 of the Corporation Tax Act 2010. The Company may, if it so chooses, designate as an 'interest distribution' all or part of the amount it distributes to shareholders as dividends, to the extent that it has 'qualifying interest income' for the accounting period. Were the Company to designate any dividend it pays in this manner, it should be able to deduct such interest distributions from its income in calculating its taxable profit for the relevant accounting period. The Company intends to elect for the 'streaming' regime to apply to the dividend payments it makes to the extent that it has such 'qualifying interest income'. Shareholders in receipt of such a dividend will be treated, for UK tax purposes, as though they had received a payment of interest, which results in a reduction of the corporation tax payable by the Company.

Tax on the profit or loss for the year comprises current and deferred tax. Corporation tax is recognised in the Statement of Comprehensive Income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous periods. The tax effect of different items of expenditure is allocated between revenue and capital on the same basis as the particular item to which it relates, using the Company's marginal method of tax, as applied to those items allocated to revenue, for the accounting period.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax basis of assets and liabilities and their carrying amount for financial reporting purposes. Deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

M) SHARE CAPITAL AND RESERVES

The share capital represents the nominal value of the Company's ordinary shares.

The share premium account represents the excess over nominal value of the fair value of consideration received for the Company's ordinary shares, net of expenses of the share issue. This reserve cannot be distributed.

The special distributable reserve was created on 29 June 2017 to enable the Company to buy back its own shares and pay dividends out of such distributable reserve, in each case when the Directors consider it appropriate to do so, and for other corporate purposes.

The capital reserve represents realised and unrealised capital and exchange gains and losses on the disposal and revaluation of investments and of foreign currency items. The realised capital reserve can be used for the repurchase of shares. This reserve cannot be distributed.

The revenue reserve represents retained profits from the income derived from holding investment assets less the costs and interest on cash balances associated with running the Company. This reserve can be distributed.

N) CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of these financial statements in conformity with UK IAS requires the Directors to make accounting estimates which will not always equal the actual results. The Directors also need to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involve a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and judgements included in other notes, together with information about the basis of calculation for each line in the financial statements.

JUDGEMENTS

Using the criteria in Note 2(a) above, the Directors have judged that the Company meets the characteristics of an investment entity, in that it has more than one investor and its investors are not related parties; holds a portfolio of investments, predominantly in the form of loans which generates returns through interest income.

2. ACCOUNTING POLICIES (CONTINUED)

ESTIMATES AND ASSUMPTIONS

In particular, judgements and estimates are made in determining the fair valuation of unquoted investments for which there is no observable market and may cause material adjustments to the carrying value of those investments. Determining fair value of investments with unobservable market inputs is an area involving management judgement, requiring assessment as to whether the value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made including management's expectations of short and long term growth rates in product sales and the selection of discount rates to reflect the risks involved. Additionally, when the issuer of an unlisted investment held is subject to a takeover bid which, if completed, would entitle the company to additional income such as make-whole premium, or would otherwise change the timing of receipt of cashflows, the company is required to estimate the likelihood of such a bid being successful, and the timing of transaction completion. These are valued in accordance with Note 2(d) above and using the valuation techniques described in Note 7 below.

Also, estimates including cash flow projections, discount rates and growth rates in product sales are made when determining any deferred performance fee; this may be affected by future changes in the Company's portfolio and other assets and liabilities.

Any deferred performance fee is calculated in accordance with Note 4(b) below and is recognised in accordance with Note 2(h) above.

These judgements and estimates are reviewed on an ongoing basis. Revisions to these judgements and estimates are also reviewed on an ongoing basis. Revisions are recognised prospectively.

O) ACCOUNTING STANDARDS NOT YET EFFECTIVE

There are no standards or amendments not yet effective which have a material impact on the Company.

The standards or amendments not yet effective that will be adopted on their effective date are:

IFRS 9 FINANCIAL INSTRUMENTS AND IFRS 7 FINANCIAL INSTRUMENTS: DISCLOSURES

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments which amended requirements related to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG)-linked features. The IASB also amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs. The amendments will be effective for annual reporting periods beginning on or after 1 January 2026.

The amendments are not expected to have a material impact on the Company's Financial Statements.

IFRS 18 PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS

The new standard IFRS 18 was issued in April 2024 and is effective for annual reporting periods beginning on or after 1 January 2027 but earlier application is permitted. This new standard replaces IAS 1 Presentation of Financial Statements and amends IAS 7 Statement of Cash Flows. IFRS 18 introduces three defined categories for income and expenses – operating, investing and financing – to improve the structure of the income statement, and requires all companies to provide new defined subtotals, including operating profit. IFRS 18 will require disclosure of explanations of company-specific measures that are related to the income statement, referred to as management-defined performance measures. IFRS 18 sets out enhanced guidance on how to organise information and whether to provide it in the financial statements or in the notes. The Company will apply IFRS 18 for annual reporting periods beginning on 1 January 2027.

The Company is still assessing the impact of IFRS 18, which has been issued but is not yet effective. While the presentation of the Statement of Comprehensive Income will change on implementation, the valuation and measurement of balances will not be impacted. The Company will continue to assess the impact of IFRS 18 as additional guidance is released prior to implementation. No other standards that have been issued but are not yet effective are likely to materially affect the Company's Financial Statements.

Notes to the Financial Statements continued

3. INCOME

	Year ended 31 December 2025 $000	Year ended 31 December 2024 $000
Income from investments		
US unfranked investment income from BPCR LP	138,492	148,485
US fixed interest investment income	1,137	–
Additional consideration received[1]	117	145
	139,746	148,630
Other income		
Interest income from liquidity/money market funds	481	1,488
Other interest	4	2
	485	1,490
Total income	**140,231**	**150,120**

[1] In 2025 $117,000 was recorded as additional income from the Company's investment in Optinose Warrants (2024: $145,000).

4. FEES AND EXPENSES

EXPENSES

	Year ended 31 December 2025			Year ended 31 December 2024		
	Revenue $000	**Capital $000**	**Total $000**	Revenue $000	Capital $000	Total $000
Management fee (note 4a)	11,298	–	11,298	11,997	–	11,997
Performance fee (note 4b)	14,431	–	14,431	13,574	–	13,574
Directors' fees (note 4c)	579	–	579	551	–	551
Other expenses						
Company Secretarial fee	120	–	120	119	–	119
Administration fee	139	–	139	135	–	135
Legal & professional fees	243	–	243	192	–	192
Public relations fees	164	–	164	180	–	180
Directors' and Officers' liability insurance	91	–	91	97	–	97
Auditors' remuneration – Statutory audit	302	–	302	307	–	307
Auditors' remuneration – Other audit related services – Half year review and agreed upon procedures	89	–	89	87	–	87
VAT[1]	(135)		(135)	130	–	130
Printing fees	102	–	102	87		87
Registrars' fees	80		80	72		72
National Insurance	79	–	79	67	–	67
Other expenses	315	–	315	255	–	255
	1,589	–	1,589	1,728	–	1,728
Total expenses	**27,897**	**–**	**27,897**	**27,850**	**–**	**27,850**

[1] The negative VAT expense in 2025 is due to reclaiming VAT accrued in 2023 and 2024.

4. FEES AND EXPENSES (CONTINUED)

A) INVESTMENT MANAGEMENT FEE

With effect from the Initial Admission, the Investment Manager is entitled to a management fee ("Management Fee") calculated on the following basis: (1/12 of 1 per cent. of the NAV on the last business day of the month in respect of which the Management Fee is to be paid (calculated before deducting any accrued Management Fee in respect of such month)) minus (1/12 of $100,000).

The Management Fee payable in respect of any quarter will be reduced by an amount equal to the Company's pro rata share of any transaction fees, topping fees, break-up fees, investment banking fees, closing fees, consulting fees or other similar fees which the Investment Manager (or an affiliate) receives in connection with transactions involving investments of the Company ("Transaction Fees"). The Company's pro rata share of any Transaction Fees will be in proportion to the Company's economic interest in the investment(s) to which such Transaction Fees relate.

B) PERFORMANCE FEE

Subject to: (i) the NAV attributable to the Ordinary Shares as at the end of a performance period representing a minimum of 6 per cent. annualised rate of return on the Company's IPO gross proceeds (adjusted for dividends, share issues and buybacks as appropriate), (ii) the total return on the NAV attributable to the Ordinary Shares (adjusted for dividends, share issues and buybacks as appropriate) exceeding 6 per cent. over such performance period, and (iii) a high watermark (which is the total return on the NAV (calculated per Ordinary Share) as at the end of the last performance period in respect of which a performance fee was payable to the Investment Manager), the Investment Manager will be entitled to receive a performance fee equal to the lesser of: (a) 50 per cent. of the total return above 6 per cent.; and (b) 10 per cent. of the total return over such performance period provided always that the amount of any performance fee payable to the Investment Manager will be reduced to the extent necessary to ensure that after account is taken of such fee, condition (iii) above remains satisfied.

Where the Investment Manager is not entitled to a performance fee solely because condition (i) has not been satisfied, such fee will be deferred and paid in a subsequent performance period in which such condition is satisfied. Where condition (i) is satisfied in a performance period but the payment of a performance fee (or any deferred performance fee from previous performance periods) in full would result in that condition failing, the Investment Manager shall be entitled to such a portion of such fee that does not result in the failure of the condition (i) above and the balance would be deferred to a future performance period.

Any performance fee (whether deferred or otherwise) shall be paid as soon as practicable after the end of the relevant performance period and, in any event, within 15 business days of the publication of the Company's audited annual financial statements relating to such period.

Where the payment of performance fee (or any deferred performance fee from previous performance periods) in full would result in the failure of condition (i) above, the Investment Manager shall only be entitled to 50 per cent. of such fee that does not result in the failure of condition (i) with the balance being deferred to a future performance period.

If, during the last month of a performance period, the Shares have, on average, traded at a discount of 1 per cent. or more to the NAV per Share (calculated by comparing the middle market quotation of the Shares at the end of each business day in the month to the prevailing published NAV per Share (exclusive of any dividend declared) as at the end of such business day and averaging this comparative figure over the month), the Investment Manager shall (or shall procure that its Associate does) apply 50 per cent. of any Performance Fee paid by the Company to the Investment Manager (or its Associate) in respect of that performance period (net of all taxes and charges applicable to such portion of the Performance Fee) to make market acquisitions of Shares (the "Performance Shares") as soon as practicable following the payment of the Performance Fee by the Company to the Investment Manager (or its Associate) and at least until such time as the Shares have, on average, traded at a discount of less than 1 per cent. to the NAV per Share over a period of five business days (calculated by comparing the middle market quotation of the Shares at the end of each such business day to the prevailing published NAV per Share (exclusive of any dividend declared) and averaging this comparative figure over the period of five business days). The Investment Manager's obligation:

1) shall not apply to the extent that the acquisition of the Performance Shares would require the Investment Manager to make a mandatory bid under Rule 9 of the Takeover Code; and

2) shall expire at the end of the performance period which immediately follows the performance period to which the obligation relates.

4. FEES AND EXPENSES (CONTINUED)

The below table shows the accrued and payable performance fee.

	As at 31 December 2025 $000	As at 31 December 2024 $000
Accrued performance fee	14,431	13,574
Performance fee payable	14,431	13,574

C) DIRECTORS

Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. The Directors' remuneration for 2025 is $87,200 per annum for each Director other than:

- the Chairman, who will receive an additional $37,300 per annum; and
- the Chairman of the Audit and Risk Committee, who will receive an additional $18,600 per annum.

5. TAXATION ON ORDINARY ACTIVITIES

It is the intention of the Directors to conduct the affairs of the Company so as to satisfy the conditions for approval of the Company by HMRC as an investment trust under Section 1158 of the Corporation Tax Act 2010 (as amended) and pursuant to regulations made under Section 1159 of the Corporation Tax Act 2010. As an investment trust, the Company is exempt from corporation tax on capital gains.

The current taxation charge for the year is different from the standard rate of corporation tax in the UK of 25 per cent., the effective tax rate was 0 per cent. The differences are explained below.

	Year ended 31 December 2025			Year ended 31 December 2024		
	Revenue $000	**Capital $000**	**Total $000**	Revenue $000	Capital $000	Total $000
Total return on ordinary activities before taxation	112,334	17,553	129,887	122,270	(92)	122,178
Theoretical tax at UK Corporation tax rate of 25.00% (2024: 25.00%)	28,084	4,388	32,472	30,568	(23)	30,545
Effects of:						
Capital items that are not taxable	–	(4,388)	(4,388)	–	23	23
Tax deductible interest distributions	(28,084)	–	(28,084)	(30,568)	–	(30,568)
Total tax charge	**–**	**–**	**–**	**–**	**–**	**–**

At 31 December 2025, the Company had no unprovided deferred tax liabilities.

At that date, based on current estimates and including the accumulation of net allowable losses, the Company had no unrelieved losses.

Deferred tax is not provided on capital gains and losses arising on the revaluation or disposal of investments because the Company meets (and intends to continue for the foreseeable future to meet) the conditions for approval as an Investment Trust company.

Notes to the Financial Statements continued

6. DIVIDENDS

	Year ended 31 December 2025			Year ended 31 December 2024		
	Revenue $000	**Capital $000**	**Total $000**	Revenue $000	Capital $000	Total $000
In respect of the previous year ended 31 December 2024:						
Fourth interim dividend of $0.0175 per Ordinary share	20,654	–	20,654	–	–	–
Special dividend of $0.0114 per Ordinary share	13,482	–	13,482	–	–	–
In respect of the previous year ended 31 December 2023:						
Third interim dividend of $0.0175 per Ordinary share	–	–	–	22,797	–	22,797
Special dividend of $0.0200 per Ordinary share	–	–	–	26,053	–	26,053
Fourth interim dividend of $0.0175 per Ordinary share	–	–	–	22,014	–	22,014
Special dividend of $0.0121 per Ordinary share	–	–	–	15,195	–	15,195
Special dividend of $0.0004 per Ordinary share	–	–	–	469	–	469
In respect of the current year:						
First interim dividend of $0.0175 per Ordinary share (2024: $0.0175 per Ordinary share)	19,780	–	19,780	21,939	–	21,939
Second interim dividend of $0.0175 per Ordinary share (2024: $0.0175 per Ordinary share)	19,762	–	19,762	21,334	–	21,334
Third interim dividend of $0.0175 per Ordinary share (2024: $0.0175 per Ordinary share)	19,762	–	19,762	20,935	–	20,935
Special dividend of $0.0150 per Ordinary share (2024: $0.0204 per Ordinary share)	16,938	–	16,938	23,926	–	23,926
	110,378	**-**	**110,378**	**174,662**	**-**	**174,662**

Set out below are the interim dividends paid or proposed on Ordinary Shares in respect of the financial year, which is the basis on which the requirements of Section 1159 of the Corporation Tax Act 2010 are considered.

	Year ended 31 December 2025			Year ended 31 December 2024		
	Revenue $000	**Capital $000**	**Total $000**	Revenue $000	Capital $000	Total $000
First interim dividend of $0.0175 per Ordinary share (2024: $0.0175 per Ordinary share)	19,780	–	19,780	21,939	–	21,939
Second interim dividend of $0.0175 per Ordinary share (2024: $0.0175 per Ordinary share)	19,762	–	19,762	21,334	–	21,334
Third interim dividend of $0.0175 per Ordinary share (2024: $0.0175 per Ordinary share)	19,762	–	19,762	20,935	–	20,935
Special dividend of $0.0150 per Ordinary share (2024: $0.0204 per Ordinary share)	16,938	–	16,938	23,926	–	23,926
Fourth interim dividend of $0.0175 per Ordinary share (2024: $0.0175 per Ordinary share)	19,762	–	19,762	20,654	–	20,654
Special dividend of $0.0145 per Ordinary share (2024: $0.0114 per Ordinary share)	16,330	–	16,330	13,482	–	13,482
	112,334	**-**	**112,334**	**122,270**	**-**	**122,270**

On 10 February 2026, the Board approved a fourth interim dividend, for the year ended 31 December 2025, of $0.0175 per Ordinary Share and a special dividend of $0.0145 per Ordinary Share, both payable on 20 March 2026.

Past performance is not an indication of future performance.

In accordance with IFRS, these dividends have not been included as a liability in these financial statements.

7. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December 2025 $000	As at 31 December 2024 $000
Investment portfolio summary		
Listed fixed interest investments at fair value through profit or loss	73,858	–
Unlisted investments in subsidiaries at fair value through profit or loss	1,028,374	1,162,136
Unlisted fixed interest investments at fair value through profit or loss	–	64
	1,102,232	**1,162,200**

	Year ended 31 December 2025			
	Listed fixed interest investments $000	Unlisted investments in subsidiaries $000	Unlisted fixed interest investments $000	Total $000
Investment portfolio summary				
Opening cost at beginning of year	–	1,185,872	891	1,186,763
Opening unrealised losses at beginning of year	–	(23,736)	(827)	(24,563)
Opening fair value at beginning of year	–	1,162,136	64	1,162,200
Movements in the year				
Purchases at cost	83,750	–	–	83,750
Redemption and sales proceeds	(26,234)	(135,000)	–	(161,234)
Realised gain/(loss) on sale of investments	7,414	–	(891)	6,523
Change in unrealised gains/losses	8,928	1,238	827	10,993
Closing fair value at the end of the year	**73,858**	**1,028,374**	**–**	**1,102,232**
Closing cost at end of year	64,930	1,050,872	–	1,115,802
Closing unrealised gains/(losses) at end of year	8,928	(22,498)	–	(13,570)
Closing fair value at the end of the year	**73,858**	**1,028,374**	**–**	**1,102,232**

	Year ended 31 December 2024			
	Listed investments $000	Unlisted investments in subsidiaries $000	Unlisted fixed interest investments $000	Total $000
Investment portfolio summary				
Opening cost at beginning of year	–	1,224,944	891	1,225,835
Opening unrealised losses at beginning of year	–	(23,846)	(627)	(24,473)
Opening fair value at beginning of year	–	1,201,098	264	1,201,362
Movements in the year				
Redemption and sales proceeds	–	(39,072)	–	(39,072)
Change in unrealised losses	–	110	(200)	(90)
Closing fair value at the end of the year	**–**	**1,162,136**	**64**	**1,162,200**
Closing cost at end of year	–	1,185,872	891	1,186,763
Closing unrealised losses at end of year	–	(23,736)	(827)	(24,563)
Closing fair value at the end of the year	**–**	**1,162,136**	**64**	**1,162,200**

7. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

	Year ended 31 December 2025 $000	Year ended 31 December 2024 $000
Realised gains on sale of investments	6,523	–
Unrealised gains	10,993	(90)
	17,516	**(90)**

The Company is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following three levels:

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

The level of the fair value hierarchy, within which the fair value measurement is categorised, is determined on the basis of the lowest level input that is significant to the fair value of the investment.

	As at 31 December 2025			
Financial assets	**Level 1 $000**	**Level 2 $000**	**Level 3 $000**	**Total $000**
Investment portfolio summary				
Listed fixed interest investments at fair value through profit or loss	–	73,858	–	73,858
Unlisted investments in subsidiaries measured at fair value through profit or loss	–	–	1,028,374	1,028,374
	–	**73,858**	**1,028,374**	**1,102,232**
Liquidity/money market funds	12,159	–	–	12,159
Total	**12,159**	**73,858**	**1,028,374**	**1,114,391**

	As at 31 December 2024			
	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Investment portfolio summary				
Unlisted investments in subsidiaries measured at fair value through profit or loss	–	–	1,162,136	1,162,136
Unlisted fixed interest investments at fair value through profit or loss	–	64	–	64
	–	**64**	**1,162,136**	**1,162,200**
Liquidity/money market funds	5,466	–	–	5,466
Total	**5,466**	**64**	**1,162,136**	**1,167,666**

Notes to the Financial Statements continued

7. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

A reconciliation of fair value measurements in Level 3 is set out below.

LEVEL 3 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 December 2025	
	Unlisted investments in subsidiaries $000	Total $000
Opening balance	1,162,136	1,162,136
Redemptions[1]	(135,000)	(135,000)
Unrealised gains	1,238	1,238
Closing balance at 31 December 2025	**1,028,374**	**1,028,374**

	Year ended 31 December 2024	
	Unlisted investments $000	Total $000
Opening balance	1,201,098	1,201,098
Redemptions[1]	(39,072)	(39,072)
Unrealised gains	110	110
Closing balance at 31 December 2024	**1,162,136**	**1,162,136**

[1] Redemptions are the proceeds received from the repayment of investments.

There were no transfers between levels during the year.

VALUATION TECHNIQUES

Unrealised gains and losses recorded on Level 1 financial instruments are reported in net gains on investments at fair value on the Statement of Comprehensive Income. The fund administrator utilises quoted prices in active markets that they have access to and the Investment Manager verifies the quoted prices on Bloomberg.

Unrealised gains and losses recorded on Level 2 and 3 financial instruments are reported in net gains on investments at fair value on the Statement of Comprehensive Income. Level 2 and Level 3 financial instruments are fair valued using inputs that reflect the Investment Manager's best estimate of what market participants would use in pricing the assets or liabilities at the measurement date. Consideration is given to the risk inherent in the valuation techniques and the risk inherent in the inputs of the model.

Level 2 financial instruments are fair valued using the closing price or bid price.

Level 3 financial instruments are fair valued using a discounted cash flow methodology. For capped royalty investments, discount rates are applied to the consensus forecasts or the manager's forecast for sales of the underlying products to determine fair value. The significant unobservable input used in the fair value measurement of the Company's Level 3 investments is the specific discount rate used for each investment summarised in the table below.

Investments held in subsidiaries, namely BPCR Limited Partnership, are based on the fair value of the investments held in those entities.

7. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The Company's unlisted investments, including those of its wholly owned subsidiary BPCR Limited Partnership, are all classified as Level 3 investments. The fair values of the unlisted investments have been determined principally by reference to discounted cash flows. The significant unobservable input used is detailed below:

	As at 31 December 2025					
Assets	**Fair value at Level 3 financial assets at fair value through profit or loss $000**	**Valuation technique**	**Unobservable input**	**Discount rate[2]**	**Fair value sensitivity to a 100bps decrease in the discount rate $000**	**Fair value sensitivity to a 100bps increase in the discount rate $000**
Assets held by BPCR Limited Partnership[1]						
Alphatec	35,158	Discounted cash flow	Discount rate	11.0%	35,755	34,577
BMS	10,083	Discounted cash flow	Discount rate	–[3]	10,083[3]	10,083[3]
Evolus	62,074	Discounted cash flow	Discount rate	9.5%	64,202	60,042
Geron	48,985	Discounted cash flow	Discount rate	10.2%	50,469	47,562
Insmed	217,295	Discounted cash flow	Discount rate	11.0%	222,332	212,429
Novocure	98,333	Discounted cash flow	Discount rate	10.9%	100,419	96,313
Paratek	24,794	Discounted cash flow	Discount rate	–[4]	25,285	24,319
Precigen	48,854	Discounted cash flow	Discount rate	11.8%	50,287	47,479
Tarsus	36,821	Discounted cash flow	Discount rate	11.8%	37,766	35,909
UroGen	49,804	Discounted cash flow	Discount rate	11.7%	50,574	49,053
Valneva	29,439	Discounted cash flow	Discount rate	10.3%	30,515	28,416
Other net assets of BPCR Limited Partnership[5]	366,734[6]	Amortised cost	–		366,734	366,734
	1,028,374				**1,044,421**	**1,012,916**

1 The Company holds an investment in BPCR Limited Partnership, its wholly owned subsidiary, which it measures at fair value through profit or loss rather than consolidate.

2 For those interest-bearing loans with variable rates, the discount rates and fair value sensitivities are calculated based on the variable rates extant at 31 December 2025.

3 Fair value of final receivable on the purchased payments referencing sales for the quarter ending 31 December 2025 is due to be received in March 2026.

4 Since Paratek is a privately held company, details about the loan are not publicly available, but terms are generally comparable with other investments.

5 Other net assets at amortised cost consists principally of assets where amortised cost equates to fair value, such as cash and cash equivalents and short-term receivables and payables.

6 This amount is comprised of total cash held at BPCR LP at 31 December 2025 totaling $422.3 million that is invested in level 1 money market funds and $55.6 million of other payables held at an amortised cost

7. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

	As at 31 December 2024					
Assets	**Fair value at Level 3 financial assets at fair value through profit or loss $000**	**Valuation technique**	**Unobservable input**	**Discount rate[1]**	**Fair value sensitivity to a 100bps decrease in the discount rate $000**	**Fair value sensitivity to a 100bps increase in the discount rate $000**
Assets held by BPCR Limited Partnership[1]						
Alphatec	34,719	Discounted cash flow	Discount rate	12.1%	35,547	33,918
BioCryst	127,543	Discounted cash flow	Discount rate	12.6%	130,757	124,444
BMS	49,064	Discounted cash flow	Discount rate	9.5%	49,405	48,730
Collegium	278,578	Discounted cash flow	Discount rate	10.0%	286,346	271,143
Evolus	61,722	Discounted cash flow	Discount rate	14.5%	62,925	60,556
Geron	48,782	Discounted cash flow	Discount rate	11.3%	50,517	47,129
Insmed	215,917	Discounted cash flow	Discount rate	11.0%	222,396	209,706
Novocure	47,809	Discounted cash flow	Discount rate	12.8%	49,110	46,559
OptiNose US	70,358	Discounted cash flow	Discount rate	15.4%	71,266	69,471
Tarsus	36,661	Discounted cash flow	Discount rate	12.4%	37,814	35,559
UroGen	49,600	Discounted cash flow	Discount rate	13.1%	50,351	48,867
Other net assets of BPCR Limited Partnership	141,447	Amortised cost	–	–	141,447	141,447
	1,162,200				**1,187,881**	**1,137,529**

1 The Company holds an investment in BPCR Limited Partnership, its wholly owned subsidiary, which it measures at fair value through profit or loss rather than consolidate.

2 For those interest-bearing loans with variable rates, the discount rates and fair value sensitivities are calculated based on the variable rates extant at 31 December 2024.

8. TRADE AND OTHER RECEIVABLES

	As at 31 December 2025 $000	As at 31 December 2024 $000
Unlisted income receivable from BPCR Limited Partnership	52,367	31,684
Interest income receiveable from listed investments	1,049	–
Interest accrued on liquidity/money market funds	40	30
Other debtors	144	83
	53,600	**31,797**

There have been no write-offs in the year and any expected credit losses are not material.

9. CASH AND CASH EQUIVALENTS

	As at 31 December 2025 $000	As at 31 December 2024 $000
Cash at bank	428	154
Liquidity/money market funds	12,159	5,466
	12,587	**5,620**

Any expected credit losses are not material. This does not include the $409.7 million (31 December 2024: $163.0 million) of cash held at the BPCR Limited Partnership. The total cash held by the Company and its financing subsidiary, BPCR Limited Partnership, is $422.3 million (31 December 2024: $168.6 million), as disclosed on page 4.

10. TRADE AND OTHER PAYABLES

Current liabilities	**As at 31 December 2025 $000**	As at 31 December 2024 $000
Performance fee payable	14,431	13,574
Management fees accrual	2,831	2,916
Repurchase of shares	–	946
Accruals	295	448
	17,557	**17,884**
Non-current liabilities		
Deferred income	–	55
	17,557	**17,939**

11. RETURN PER ORDINARY SHARE

Revenue return per ordinary share is based on the net revenue after taxation of $112.3 million (2024: $122.3 million) and 1,139,617,210 (2024: 1,222,360,376) Ordinary shares, being the weighted average number of Ordinary shares for the year.

Capital return per ordinary share is based on net capital gain for the year of $17.6 million (2024: net capital loss of $92,000) and on 1,139,617,210 (2024:1,222,360,376) Ordinary shares, being the weighted average number of Ordinary shares for the year.

Basic and diluted return per share are the same as there are no arrangements which could have a dilutive effect on the Company's ordinary shares.

12. NET ASSET VALUE PER ORDINARY SHARE

The basic total net assets per ordinary share is based on the net assets attributable to equity shareholders at 31 December 2025 of $1,150.9 million (31 December 2024: $1,181.7 million) and Ordinary shares of 1,129,227,778 (31 December 2024: 1,186,056,657), being the number of Ordinary shares outstanding at 31 December 2025.

There is no dilution effect and therefore there is no difference between the diluted total net assets per ordinary share and the basic total net assets per ordinary share.

13. SHARE CAPITAL

	Year ended 31 December 2025		Year ended 31 December 2024	
	Number of shares	**$000**	Number of shares	$000
Issued and fully paid:				
Ordinary shares of $0.01:				
Balance at beginning of the year	1,373,932,067	13,739	1,373,932,067	13,739
Balance at end of the year	**1,373,932,067**	**13,739**	**1,373,932,067**	**13,739**

Total voting rights at 31 December 2025 were 1,129,227,778 (31 December 2024: 1,186,056,657). In 2025 56,828,879 shares were bought back for treasury (2024: 116,622,535). The balance of treasury shares on 31 December 2025 was 244,704,289 (31 December 2024: 187,875,410).

14. SUBSIDIARY

The Company formed a wholly-owned subsidiary, BPCR Ongdapa Limited ("BPCR Ongdapa"), incorporated in Ireland on 5 October 2017 for the purpose of entering into a purchase, sale and assignment agreement with a wholly-owned subsidiary of Royalty Pharma for the purchase of a 50 per cent. interest in a stream of payments acquired by Royalty Pharma from Bristol-Myers Squibb ("BMS"). The registered address for BPCR Ongdapa is BPCR Ongdapa Limited, 2nd Floor, Block 5, Irish Life Center, Abbey Street Lower Dublin 1, Ireland.

The Company formed a wholly-owned subsidiary, BPCR Limited Partnership, incorporated in England and Wales on 27 March 2020 for the purpose of entering into a three year $200 million revolving credit facility with JPMorgan Chase Bank. On 11 April 2024, the Company terminated its JPMorgan revolving credit facility. BPCR Limited Partnership has its registered office at 19th Floor, 51 Lime Street, London, EC3M 7DQ and received an initial contribution of £1.00 at formation from the Company, its sole Limited Partner. In accordance with IFRS 10, the Company is exempted from consolidating a controlled investee as it is an investment entity. Therefore, the Company's investment in BPCR Limited Partnership will be recognised at fair value through profit or loss.

The General Partner for BPCR Limited Partnership is BPCR GP Limited, incorporated in England and Wales on 11 March 2020 and is wholly-owned by the Company. The Company is not exempt from consolidating the financial statements of BPCR GP under IFRS 10, however the highly immaterial (nil) balance of BPCR GP would produce accounts with almost identical balances to the Company. Furthermore with reference to the Companies Act, section 405 (2) "A subsidiary undertaking may be excluded from consolidation if its inclusion is not material for the purpose of giving a true and fair view". The registered address for BPCR GP Limited is BPCR GP Limited, 19th Floor, 51 Lime Street, London, EC3M 7DQ. The aggregate amount of its capital reserves as at 31 December 2025 is $1,000 (2024: $nil) and a return for the year to 31 December 2025 is $nil (2024: $nil).

As part of the successful closing of LumiraDx's administration, the Company received its 41 per cent. share ownership of LumiraDx Colombia Holdings Ltd ("UK Holdco") on 6 February 2025, which the Company is actively seeking to sell. The registered address for UK Holdco is 19th Floor, 51 Lime Street, London United Kingdom EC3M 7DQ. The equity is a level 3 investment and valued using the comparable company analysis. The outstanding fair value as at 31 December 2025 was $7.5 million.

15. RECONCILIATION OF TOTAL RETURN FOR THE YEAR BEFORE TAXATION TO CASH GENERATED FROM OPERATING ACTIVITIES

	Year ended 31 December 2025 $000	Year ended 31 December 2024 $000
Total return for the year before taxation	129,887	122,178
Capital (gains)/losses	(17,553)	92
Increase in trade receivables	(21,803)	(11,480)
Increase in trade payables	564	1,122
Cash generated from operating activities	**91,095**	**111,912**

16. FINANCIAL INSTRUMENTS

The Company's financial instruments include its investment portfolio, cash balances, trade receivables and trade payables that arise directly from its operations. Adherence to the Company's investment policy is key in managing risk. Refer to the Strategic Overview on pages 26 to 39 for a full description of the Company's investment objective and policy.

The Investment Manager monitors the financial risks affecting the Company on an ongoing basis and the Directors regularly receive financial information which is used to identify and monitor risk. All risks are actively reviewed and monitored by the Board. Details of the Company's principal risks can be found in the Strategic Report on pages 32 to 38.

The main risks arising from the Company's financial instruments are:

i) market risk, including price risk, currency risk and interest rate risk;

ii) liquidity risk; and

iii) credit risk.

(I) MARKET RISK

Market risk is the risk of loss arising from movements in observable market variables. The fair value of future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices.

The Investment Manager assesses the exposure to market risk when making each investment decision and these risks are monitored by the Investment Manager on a regular basis and the Board at quarterly meetings with the Investment Manager.

16. FINANCIAL INSTRUMENTS (CONTINUED)

MARKET PRICE RISK

The Company is exposed to price risk arising from its investments whose future prices are uncertain. The Company's exposure to price risk comprises movements in the value of the Company's investments. See Note 7 above for investments that fall into Level 3 of the fair value hierarchy and refer to the description of valuation policies in Note 2(d). The nature of the Company's investments, with a high proportion of the portfolio invested in unlisted debt instruments, means that the investments are valued by the Company after consideration of the most recent available information from the underlying investments. The Company's portfolio is diversified among counterparties and by the sectors in which the underlying companies operate, minimising the impact of any negative industry-specific trends.

The table below analyses the effect of a 10 per cent. change in the fair value of investments. The Investment Manager believes 10 per cent. is the appropriate threshold for determining whether a material change in market value has occurred.

	As at 31 December 2025		At 31 December 2024	
	Fair value $000	**10 per cent. Increase/ decrease in market value $000**	Fair value $000	10 per cent. Increase/ decrease in market value $000
Harrow senior unsecured notes	36,531	3,653	–	–
CytoKinetics senior unsecured convertible notes	35,859	3,586	–	–
Cogent senior unsecured convertible notes	1,468	147	–	–
OptiNose US warrants	–	–	64	6
Assets held by BPCR Limited Partnership				
Other assets of BPCR Limited Partnership	359,234	35,924	132,726	13,273
Insmed 2024 senior secured loan	217,295	21,730	215,917	21,592
Novocure senior secured loan	98,333	9,833	47,809	4,781
Evolus 2025 senior secured loan	62,074	6,207	61,722	6,172
UroGen senior secured loan	49,804	4,980	49,600	4,960
Geron senior secured loan	48,985	4,899	48,782	4,878
Precigen senior secured loan	48,854	4,885	–	–
Tarsus senior secured loan	36,821	3,682	36,661	3,666
Alphatec senior secured loan	35,158	3,516	34,719	3,472
Valneva senior secured loan	29,439	2,944	–	–
Paratek senior secured loan	24,794	2,479	–	–
BMS Purchased Payments (BPCR Ongdapa)	10,083	1,008	49,064	4,906
LumiraDx Columbia equity	7,500	750	7,500	750
Collegium 2024 senior secured loan	–	–	278,578	27,858
BioCryst senior secured loan	–	–	127,543	12,754
OptiNose US Note	–	–	70,358	7,036
OptiNose US Equity	–	–	1,157	116
	1,102,232	**110,223**	**1,162,200**	**116,220**

The Board manages the risks inherent in the investment portfolio by ensuring full and timely reporting of relevant information from the Investment Manager. Investment performance and exposure are reviewed at each Board meeting.

16. FINANCIAL INSTRUMENTS (CONTINUED)

CURRENCY RISK

Currency risk is the risk that fair values of future cash flows of a financial instrument fluctuate because of changes in foreign exchange rates.

At 31 December 2025, the Company held cash balances in GBP Sterling of £316,000 ($425,000) (2024: £120,000 ($150,000)) and in Euro of €3,000 ($4,000) (2024: €3,000 ($4,000)).

The currency exposures (including non-financial assets) of the Company as at 31 December 2025:

	Cash $000	Investments $000	Other net assets $000	Total $000
Sterling	425	–	29	454
Euro	4	–	–	4
US Dollar	12,158	1,102,232	36,014	1,150,404
	12,587	**1,102,232**	**36,043**	**1,150,862**

The currency exposures (including non-financial assets) of the Company as at 31 December 2024:

	Cash $000	Investments $000	Other net (liabilities) /assets $000	Total $000
Sterling	150	–	(18)	132
Euro	4	–	–	4
US Dollar	5,466	1,162,200	13,876	1,181,542
	5,620	**1,162,200**	**13,858**	**1,181,678**

A 10 per cent. increase in the Sterling exchange rate would have increased net assets by $36,000 (2024: $5,000).

A 10 per cent. increase in the Euro exchange rate would have increased net assets by $nil (2024: $nil).

A 10 per cent. decrease would have decreased net assets by the same amount (2024: same).

16. FINANCIAL INSTRUMENTS (CONTINUED)

INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate movements may potentially affect future cash flows from:

- investments in floating rate securities, unquoted loans and purchased payments; and
- the level of income receivable on cash deposits and liquidity funds.

The Insmed 2024 and the Valneva senior secured loans, the Cogent and the CytoKinetics senior unsecured convertible notes and the Harrow senior unsecured notes have a fixed interest rate and therefore are not subject to interest rate risk. Additionally, neither BMS purchased payments nor LumiraDx Colombia has a defined fixed or floating rate of interest. The below table shows the percentage of the Company's net assets they represent.

	As at 31 December 2025 % of Company Net Assets	As at 31 December 2024 % of Company Net Assets
Insmed 2024 senior secured loan	19.00	18.51
Harrow senior unsecured notes	3.17	–
CytoKinetics convertible loan notes	3.12	–
Valneva senior secured loan	2.61	–
BMS Purchased Payments (BPCR Ongdapa)	0.86	4.07
LumiraDx Colombia equity	0.65	0.63
Cogent senior unsecured convertible notes	0.13	–

The Alphatec, Evolus, Geron, Novocure, Paratek, Precigen, Tarsus and Urogen loans and cash and cash equivalents, including investments in liquidity funds, have a floating rate of interest. The below table shows the percentage of the Company's net assets they represent.

	As at 31 December 2025 % of Company Net Assets	As at 31 December 2024 % of Company Net Assets
Novocure senior secured loan	8.69	4.23
Evolus 2025 senior secured loan	5.43	5.29
UroGen 2024 senior secured loan	4.35	4.23
Geron senior secured loan	4.35	4.23
Precigen senior secured loan	4.35	–
Tarsus senior secured loan	3.26	3.17
Alphatec senior secured loan	3.04	2.96
Paratek senior secured loan	2.17	–
Collegium 2024 senior secured loan	–	23.96
BioCryst senior secured loan	–	10.96
OptiNose US senior secured loan	–	6.05
Cash and cash equivalents[1]	1.09	0.48

[1] Cash and cash equivalents represents the Company only and does not include cash held by BPCR Limited Partnership. Of the 10 senior secured loans, eight include floating coupons with SOFR floors. The SOFR floors range from 2 per cent. to 4 per cent., with a weighted average of 3.2 per cent.

A 100 basis point increase in SOFR would have increased net assets by $3.8 million (2024: $28.1 million).

A 100 basis point decrease in SOFR would have decreased net assets by $9.4 million (2024: $21.4 million).

A 300 basis point increase in SOFR would have increased net assets by $32.4 million (2024: $82.5 million).

16. FINANCIAL INSTRUMENTS (CONTINUED)

(II) LIQUIDITY RISK

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

At 31 December 2025, the Company had cash and cash equivalents of $12.6 million (2024: $5.6 million), including investments in liquidity/money market funds with balances of $12.2 million (2024: $5.5 million) and maximum unfunded commitments of $nil (2024: $nil). These assets can be sold easily to meet funding commitments if necessary.

At 31 December 2025, BPCR Limited Partnership had cash and cash equivalents of $409.7 million (2024: $163 million), including investments in liquidity/money market funds with balances of $408.8 million (2024: $163 million) and maximum unfunded commitments of $366.7 million (2024: $262.5 million).

The Company maintains sufficient liquid investments through its cash and cash equivalents to pay accounts payable, accrued expenses and ongoing expenses of the Company and to fulfill obligations due or anticipated within one year after the financial statements are issued. Liquidity risk is manageable through a number of options, including the Company's ability to issue debt and/ or equity and by selling all or a portion of an investment in the secondary market.

The Company's liabilities as at 31 December 2025 were $17.6 million (2024: $17.9 million) of which $17.6 million (2024: $17.9 million) was repayable within one year. There is sufficient cash and cash equivalents to repay the liabilities when they become due.

(III) CREDIT RISK

This is the risk the Company's trade and other receivables will not meet their obligations to the Company.

While the Company will often seek to be a secured lender for each debt asset, there is no guarantee that the relevant borrower will repay the loan or that the collateral will be sufficient to satisfy the amount owed. All of the Company's investments are senior secured investments as detailed in the Investment Manager's Report on pages 6 to 17.

The Investment Manager performs a robust credit risk analysis during the investment process for all new investments and constantly monitors the collateral on its outstanding senior secured loans as to minimise the credit risk to the Company of default. The credit risk of the senior secured loans will increase significantly after initial recognition when borrowers are not making principal and interest payments as agreed. The fair value of the senior secured loan will be adjusted, either partially or in full, when there is no realistic prospect of recovery and the amount of the change in fair value has been determined by the Investment Manager. Subsequent recoveries of amounts previously adjusted will decrease the amount of the fair value loss recorded. Changes to a counterparty's risk profile are monitored by the Investment Manager on a regular basis and discussed with the Board at quarterly meetings.

The Company's maximum exposure to credit risk at any given time is the fair value of its investment portfolio and cash and receivables. At 31 December 2025, the Company's maximum exposure to credit risk was $1,168.4 million (2024: $1,199.6 million). The Company's concentration of credit risk by counterparty can be found in the Investment Manager's Report on pages 6 to 17.

CAPITAL MANAGEMENT

The Company's primary objectives in relation to the management of capital are:

- to ensure its ability to continue as a going concern;
- to ensure that the Company conducts its affairs to enable it to continue to meet the criteria to qualify as an investment trust; and
- to maximise the long-term shareholder returns in the form of sustainable income distributions through an appropriate balance of equity capital and debt.

This is to be achieved through an appropriate balance of equity capital and gearing. The Company operates a flexible gearing policy which depends on prevailing conditions. The Company may incur indebtedness up to 25 per cent. of the Company's net asset value with a maximum of up to 50 per cent. with Board approval.

17. RELATED PARTY TRANSACTIONS[1]

The amount incurred in respect of management fees during the year to 31 December 2025 was $11.3 million (31 December 2024: $12.0 million), of which $2.8 million (31 December 2024: $2.9 million) was outstanding at 31 December 2025. The amount due to the Investment Manager for performance fees at 31 December 2025 was $14.4 million (31 December 2024: $13.6 million). Please refer to Note 4(b) for further details. The Investment Manager and its affiliates own approximately 2 per cent. of the Company as at 31 December 2025.

The amount incurred in respect of Directors' fees during the year to 31 December 2025 was $579,000 (31 December 2024: $551,400) of which $nil was outstanding at 31 December 2025 (31 December 2024: $nil). Please refer to Note 4(c) for further details.

BPCR Limited Partnership and its General Partner, BPCR GP Limited, are related entities of the Company, as they are wholly-owned subsidiaries and were formed for the purpose of entering into a new credit facility. On 22 May 2020, several investments totaling $1,070.1 million were transferred to BPCR Limited Partnership from the Company. In the year to 31 December 2025, the Company recorded income from BPCR Limited Partnership of $138.5 million (31 December 2024: $148.5 million) and the outstanding balance on 31 December 2025 was $52.4 million (31 December 2024: $31.7 million). BPCR GP Limited had an outstanding balance as at 31 December 2025 of $nil (31 December 2024: $nil).

On 6 October 2025, the Company and the Private Fund entered into a senior secured term loan agreement with Valneva Austria GmbH, a subsidiary of Valneva SE. The Company (through BPCR Limited Partnership) will invest up to $30.0 million and the Private Fund will invest up to $185.0 million in parallel, with the Company acting as collateral agent. The loan will mature in October 2030 and will bear interest at a fixed rate of 9 per cent. per annum. The Company funded its share of Tranche A of $30.0 million on 17 October 2025 and received a 2 per cent. additional consideration at funding. In the year to 31 December 2025, BPCR Limited Partnership recorded interest of $570,000 (31 December 2024: $nil). The outstanding balance as at 31 December 2025 was $30.0 million. (31 December 2024: $nil).

On 3 September 2025, the Company and the Private Fund entered into a senior secured term loan agreement with Precigen, Inc. The Company (through BPCR Limited Partnership) will invest up to $62.5 million and the Private Fund will invest up to $62.5 million in parallel, with the Company acting as collateral agent. The loan will mature in September 2030 and will bear interest at 3-month SOFR plus 6.50 per cent. (subject to a 3.75 per cent. floor). The Company funded its share of Tranche A of $50.0 million and received a 2.50 per cent. additional consideration at closing. Tranche B is available to be drawn until 29 June 2027 and after achieving certain sales milestones. The additional consideration for the remaining tranche will be payable on the respective funding date. In the year to 31 December 2025, BPCR Limited Partnership recorded interest of $1.8 million (31 December 2024: $nil). The outstanding balance as at 31 December 2025 was $50.0 million. (31 December 2024: $nil).

On 21 May 2025, the Company and the Private Fund entered into a senior secured term loan agreement with Paratek Pharmaceuticals, Inc. alongside funds managed by Oaktree Capital Management, L.P. and Q Aspen LLC (a wholly owned subsidiary of Qatar Investment Authority). The Company (through BPCR Limited Partnership) will invest up to $25.0 million and the Private Fund will invest up to $25.0 million in parallel, with the Company acting as collateral agent out of a total $250.0 million senior secured loan facility. Oaktree and QIA funded the remaining balance of the $200.0 million senior secured loan facility. The Company funded its share of the tranche at closing. Since Paratek is a privately held company, further details about the senior secured loan facility are not publicly available, but the terms of the loan are generally comparable with the Company's other investments. The outstanding balance as at 31 December 2025 was $25.0 million. (31 December 2024: $nil).

On 1 November 2024, the Company and the Private Fund entered into a senior secured term loan agreement with Geron Corporation. The Company (through BPCR Limited Partnership) will invest up to $100.0 million and the Private Fund will invest up to $150.0 million in parallel, with the Company acting as collateral agent. The loan will mature in November 2029 and will bear interest at 3-month SOFR plus 5.75 per cent. (subject to a 3 per cent. floor). The Company funded its share of Tranche A of $50.0 million and received a 2.50 per cent. additional consideration at closing. Tranche B and Tranche C were originally due to expire on 31 December 2025. On 6 January 2026, the Company and Geron entered into an amendment to extend the availability period for Tranche B and Tranche C to 30 September 2026 and extend the make-whole date for Tranche A to 1 May 2027. In the year to 31 December 2025, BPCR Limited Partnership recorded interest of $5.1 million (31 December 2024: $874,000). The outstanding balance as at 31 December 2025 was $50.0 million. (31 December 2024: $50.0 million).

On 29 October 2024, the Company and the Private Fund entered into a new investment in the form of an assignment of $70.0 million in a $200.0 million senior secured term loan agreement with Alphatec Holdings, Inc. The Company (through BPCR Limited Partnership) invested $35.0 million and the Private Fund invested $35.0 million in parallel, with the Company acting as collateral agent. The loan will mature in January 2028 and will bear interest at 3-month SOFR plus 5.75 per cent. (subject to a 3 per cent. floor) and a 1 per cent. additional consideration was paid at funding.

[1] Past performance is not an indication of future performance.

17. RELATED PARTY TRANSACTIONS[1] (CONTINUED)

The assignor, Braidwell Transaction Holdings LLC - Series I, will retain the remaining $130.0 million. The loan includes a prepayment premium of 3 per cent. of the principal amount of any such repayment during the first 12 months after the signing date, 2 per cent. of the principal amount of any such repayment during months 13 through 24 after the signing date, and 1 per cent. of the principal amount of any such repayment thereafter but prior to the maturity date, as well as an exit consideration of 3.25 per cent. of the principal amount of any repayment or prepayment on such date of repayment or prepayment. On 5 March 2025, the Company purchased $15 million of 0.75 per cent. senior unsecured convertible notes due 2030 issued by Alphatec Holdings, Inc. at a purchase price of $100 per note for a $15.0 million investment. On 9 September 2025 and 31 October 2025, the Company sold 8 million and 7 million respectively, of 0.75 per cent. Alphatec Holdings, Inc. convertible senior notes due 2030, at an average price of $134. The sales generated a gain of $5.0 million. In the year to 31 December 2025, BPCR Limited Partnership recorded interest of $3.6 million (31 December 2024: $658,000). The outstanding balance as at 31 December 2025 was $35.0 million. (31 December 2024: $35.0 million).

On 1 May 2024, the Company and the Private Fund, entered into a senior secured term loan agreement with a wholly-owned subsidiary of Novocure Limited. The Company (through BPCR Limited Partnership) will invest up to $200.0 million and the Private Fund will invest up to $200.0 million in parallel, with the Company acting as collateral agent. The loan will mature in May 2029 and will bear interest at 3-month SOFR plus 6.25 per cent. (subject to a 3.25 per cent. floor). Tranche A of $50.0 million was drawn on 1 May 2024. Tranche B of $50.0 million was drawn on 26 September 2025. The remaining $100.0 million is available to be drawn after achieving certain sales-based milestones. In the year to 31 December 2025, BPCR Limited Partnership recorded interest of $6.7 million (31 December 2024: $3.8 million). The outstanding balance as at 31 December 2025 was $100.0 million. (31 December 2024: $50.0 million).

On 19 April 2024, the Company and the Private Fund entered into a senior secured term loan agreement with Tarsus Pharmaceuticals, Inc. The Company (through BPCR Limited Partnership) will invest up to $100.0 million and the Private Fund will invest up to $100.0 million in parallel, with the Company acting as collateral agent. The Company invested $37.5 million at the Tranche A closing. The remaining tranches totaling $75.0 million, expired without being drawn. The loan will mature in April 2029 and has a coupon of 3-month SOFR plus 6.75 per cent. (subject to a 3.75 per cent. floor). In the year to 31 December 2025, BPCR Limited Partnership recorded interest of $4.2 million (31 December 2024: $3.2 million). The outstanding balance as at 31 December 2025 was $37.5 million. (31 December 2024: $37.5 million).

On 5 May 2023, the Company and the Private Fund entered into a senior secured term loan agreement with Reata Pharmaceuticals, Inc. Under the terms of the transaction, the Company (through BPCR Limited Partnership) was originally due to invest up to $137.5 million and the Private Fund was originally due to invest up to an additional $137.5 million in parallel, with the Company acting as collateral agent. The loan was originally due to mature in May 2028 and bore interest at 3-month SOFR plus 7.50 per cent. per annum subject to a 2.50 per cent. floor along with a one-time additional consideration of 2 per cent. of the loan amount payable upon funding. Tranche A of $37.5 million was funded at closing and tranche B of $25.0 million was funded on 10 July 2023. On 28 July 2023, Biogen, Inc. ("Biogen") Biogen announced a proposed acquisition of Reata for an enterprise value of approximately $7.3 billion. The acquisition closed on 29 September 2023. As of the acquisition closing date, the Company received prepayments including $15.5 million in prepayment and make-whole fees. In April 2024, the Company and the Private Fund filed a lawsuit in New York courts against Biogen and Reata with respect to a dispute about fees payable under the terms of the loan agreement. In April 2025, the parties entered into a settlement agreement, representing the final resolution of this dispute. After approximately $1.3 million in legal and other related expenses payable by the Company, the Company received an additional net $7.3 million in revenue from this settlement payment. In the year to 31 December 2025, BPCR Limited Partnership recorded interest of $8.3 million (31 December 2024: $nil). The outstanding balance as at 31 December 2025 was $nil. (31 December 2024: $nil).

On 17 April 2023, the Company and the Private Fund entered into a senior secured term loan agreement with BioCryst Pharmaceuticals, Inc. Under the terms of the transaction, the Company (through BPCR Limited Partnership) invested $180.0 million and the Private Fund invested an additional $270.0 million in parallel, with the Company acting as collateral agent. The commitment for the remaining three tranches of up to $50.0 million each expired on 30 September 2024. The loan was due to mature in April 2028 and bore interest at 3-month SOFR plus 7 per cent. per annum subject to a 1.75 per cent. floor and up to 50 per cent. of the interest during the first 18 months were paid-in-kind (PIK) at a rate of 3-month SOFR plus 7.25 per cent. On 16 April 2023, the Company funded $120.0 million through its subsidiary and BioCryst elected to PIK interest of $9.5 million. On 18 April 2025, BioCryst prepaid $30 million of its balance to the Company and the Company received $1.1 million in accrued interest and prepayment fees. On 24 July 2025, BioCryst prepaid $20.0 million of its balance to the Company and the Company received $751,000 in accrued interest and prepayment fees. On 8 October 2025, BioCryst repaid its remaining $79.5 million balance to the Company and the Company received $2.6 million in accrued interest and prepayment fees. In the year to 31 December 2025, BPCR Limited Partnership recorded interest of $9.3 million (31 December 2024: $3.2 million). The outstanding balance as at 31 December 2025 was $nil (31 December 2024: $129.5 million).

[1] Past performance is not an indication of future performance.

17. RELATED PARTY TRANSACTIONS[1] (CONTINUED)

On 19 October 2022, the Company and the Private Fund entered into a senior secured term loan agreement with Insmed, Inc. The Company (through BPCR Limited Partnership) invested $140.0 million on 19 October 2022. The loan was due to mature in October 2027, bore interest at 3 month SOFR plus 7.75 per cent. per annum subject to a 2.50 per cent. floor along with a one-time additional consideration of 2 per cent. of the loan amount payable upon funding and up to 50 per cent. of the interest during the first 24 months may PIK. On 31 October 2024, the Company and the Private Fund entered into an amended and restated senior term loan agreement for up to $547.0 million with Insmed. The new loan consists of a $397.0 million initial term loan to refinance in full the existing term loan and a new $150.0 million tranche. The Company (through BPCR Limited Partnership) funded its share of the new tranche of $60.0 million at signing. The loan will mature in September 2029 and will bear interest at a fixed rate of 9.60 per cent. per annum and a 2 per cent. exit consideration. In the year to 31 December 2025, BPCR Limited Partnership recorded interest of $21.3 million (31 December 2024: $20.5 million). The outstanding balance as at 31 December 2025 was $218.7 million (31 December 2024: $218.7 million).

On 7 March 2022, the Company and the Private Fund entered into a senior secured term loan agreement with UroGen Pharma, Inc. Under the terms of the transaction, the Company (through BPCR Limited Partnership) will invest up to $50.0 million. The loan was due to mature in March 2027 and bore interest at 3-month LIBOR plus 8.25 per cent. per annum subject to a 1.25 per cent. floor along with a one-time additional consideration of 1.75 per cent. of the total loan amount payable upon funding of the first tranche. The Company funded $37.5 million on 16 March 2022 and $12.5 million on 16 December 2022. On 29 June 2023, the UroGen loan was amended to transition from 3-month LIBOR to 3-month SOFR and an additional per annum rate of 0.26161 per cent. On 13 March 2024, the Company and the Private Fund entered into the amended and restated loan agreement for up to $200.0 million with UroGen. The new loan consists of a $50.0 million initial term loan to refinance in full the existing term loan and additional tranches of up to $100.0 million allocated in full to the Private Fund. The loan will mature in March 2028 and will bear interest at 3-month SOFR plus 7.25 per cent. per annum subject to a 2.50 per cent. floor. In the year to 31 December 2025, BPCR Limited Partnership recorded interest of $5.9 million (31 December 2024: $6.5 million). The outstanding balance as at 31 December 2025 was $50.0 million (31 December 2024: $50.0 million).

On 14 December 2021, the Company and the Private Fund entered into a senior secured term loan agreement with Evolus Inc. The Company's share of the transaction was up to $62.5 million and the Company funded (through BPCR Limited Partnership) the first tranche of $37.5 million on 29 December 2021 and a one-time additional consideration of 2.25 per cent. of the total loan amount was paid at funding. On 5 May 2023, the Evolus loan was amended to allow Evolus to draw Tranche B in two installments, to allow the principal payments to be equal quarterly payments beginning in 2026 and transition from 3-month LIBOR to 3-month SOFR and an additional per annum rate of 0.17 per cent. The Company funded $12.5 million on both 31 May 2023 and 15 December 2023 for a total of $25.0 million for the second tranche. The loan was due to mature in December 2027 and bore interest at 3-month LIBOR plus 8.50 per cent. per annum subject to a 1 per cent. floor. On 5 May 2025, the Company and the Private Fund provided Evolus with a commitment to enter into a new senior secured term loan agreement for $250.0 million. The new loan consists of a $150.0 million initial term loan to refinance in full the existing term loan and an additional $25.0 million that was allocated in full to the Private Fund at signing. Tranche B and Tranche C are available to be drawn until 31 December 2026. The new allocation for the loan is 41.7 per cent. to the Company and 58.3 per cent. to the Private Fund. The loan will mature in May 2030 and will bear interest at 3-month SOFR plus 5 per cent. per annum subject to a 3.50 per cent. floor and a 2 per cent. exit consideration. In 31 December 2025, BPCR Limited Partnership recorded interest of $6.6 million (31 December 2024: $8.8 million). The outstanding balance as at 31 December 2025 was $62.5 million (31 December 2024: $62.5 million).

[1] Past performance is not an indication of future performance.

17. RELATED PARTY TRANSACTIONS[1] (CONTINUED)

On 23 March 2021, the Company and the Private Fund entered into a senior secured loan agreement with LumiraDx for $300.0 million. The loan would have matured in March 2024, bore interest at 3-month SOFR plus 8 per cent. with the ability to PIK anything above 8 per cent., and an additional consideration of 2.50 per cent. of the total loan amount and 9 per cent. of the total loan amount payable upon repayment. The Private Fund's allocation of the transaction was $150.0 million. From 24 July 2023 to 9 November 2023, the Company and the Private Fund funded $53.0 million of additional tranches to LumiraDx. On 29 December 2023, LumiraDx announced the appointment of joint administrators for two of its subsidiaries and Roche Diagnostics Limited ("Roche") announced that it would acquire select parts of LumiraDx for a purchase price of $295.0 million. On 29 July 2024, FTI Consulting LLP, as the UK administrator for LumiraDx, made an initial payment to the Company and the Private Fund of $330.6 million of which $165.3 million was received by the Company. On 31 October 2024 and 20 December 2024, FTI Consulting LLP, as the UK administrator for LumiraDx, returned $18.5 million and $2.9 million, respectively, to the Company and the Private Fund, which included the agreed holdback amount under the Roche Sales and Purchase Agreement. Additionally, the Company received its 41 per cent. share ownership of LumiraDx's Colombian subsidiary, which it is actively seeking to sell. In the year to 31 December 2025, BPCR Limited Partnership recorded interest of $409,000 (31 December 2024: $645,000). The outstanding balance as at 31 December 2025 was $7.5 million (31 December 2024: $ nil).

On 6 February 2020, the Company and the Private Fund entered into a senior secured term loan agreement for $200.0 million with Collegium Pharmaceutical, Inc. The Company's share of the transaction was $165.0 million and the Company funded the term loan on 13 February 2020. The 2020 loan was originally due to mature in February 2024 and bore interest at 3-month LIBOR plus 7.5 per cent. per annum subject to a 2 per cent. floor along with a one-time additional consideration of 2.50 per cent. of the loan amount which was paid at funding. On 14 February 2022, the Company and the Private Fund provided Collegium Pharmaceutical, Inc. with a commitment to enter into a new senior secured term loan agreement for $650.0 million. Proceeds from the new loan were used to fund Collegium's acquisition of BioDelivery Sciences International, Inc. ("BDSI") as well as repay the outstanding debt of Collegium and BDSI. Under the terms of the 2022 loan, the Company invested (through BPCR Limited Partnership) $325.0 million in a single drawing. The four-year loan for the Company's investment had $50.0 million in amortisation payments during the first year and the remaining $275.0 million balance was due to amortise in equal quarterly installments. The loan bore interest at 3-month LIBOR plus 7.5 per cent. per annum subject to a 1.2 per cent. floor along with a one-time additional consideration of 2 per cent. of the loan amount payable at signing and 1 per cent. of the loan amount payable at funding. On 23 June 2023, the Collegium loan was amended to transition from 3-month LIBOR to 3-month SOFR and an additional per annum rate of 0.26161 per cent. On 28 July 2024, the Company and the Private Fund provided Collegium with a commitment to enter into a new senior secured term loan agreement for $645.8 million. The new loan consisted of a $320.8 million initial term loan, of which the Company's share was $160.4 million, to refinance in full the existing term loan and a $325 million second tranche, of which the Company's share was $130.0 million, that was drawn on 23 September 2024. Proceeds from the new loan were used to assist Collegium in the successful closing of the acquisition of Ironshore Therapeutics. The loan was originally due to mature in July 2029 and bore interest at 3-month SOFR plus 4.5 per cent. per annum subject to a 4 per cent. floor along with a one-time additional consideration of 1.25 per cent. of the loan amount paid upon signing, a one-time additional consideration of 2.25 per cent. of the loan amount paid at funding. On 23 December 2025, Collegium paid its remaining $261.4 million balance to the Company and the Company received $7.9 million in accrued interest and prepayment fees. In the year to 31 December 2025, BPCR Limited Partnership recorded interest of $23.9 million (31 December 2024: $26.4 million). The outstanding balance as at 31 December 2025 was $nil (31 December 2024: $283.2 million).

[1] Past performance is not an indication of future performance.

17. RELATED PARTY TRANSACTIONS[1] (CONTINUED)

On 12 September 2019, the Company and the Private Fund entered into a senior secured note purchase agreement for the issuance and sale of senior secured notes in an aggregate original principal amount of up to $150.0 million by OptiNose US. OptiNose US is a wholly-owned subsidiary of OptiNose, a commercial-stage specialty pharmaceutical company. OptiNose drew a total of $130.0 million in three tranches: $80.0 million on 12 September 2019, $30.0 million on 13 February 2020 and $20.0 million on 1 December 2020. There were no further funding commitments. The notes were due to mature in September 2024 and bore interest at 10.75 per cent. per annum along with a one-time additional consideration of 0.75 per cent. of the aggregate original principal amount of senior secured notes which the Company and the Private Fund were committed to purchase under the facility and 810,357 warrants exercisable into common stock of OptiNose. The Company funded a total $71.5 million across all tranches and was allocated 445,696 warrants. On 18 November 2021, OptiNose US raised $46.0 million in a follow-on offering at a price of $1.60. As part of the financing, the Company re-tiered its sales covenants, amended the amortization and make-whole provisions, and issued new three-year warrants at the offering price of $1.60, with the original warrants having been canceled. On 10 August 2022, the OptiNose note and purchase agreement was amended resulting in re-tiered sales covenants in exchange for an amendment fee of $780,000, payable upon repayment, of which the Company was allocated $429,000. On 9 November 2022, OptiNose negotiated certain waivers in exchange for a waiver fee, of which the Company earned $715,000 of the total $1.3 million waiver fee. On 21 November 2022, OptiNose entered into an amended and restated note purchase agreement. As part of the amended and restated note purchase agreement, the Company and the Private Fund revised the sales covenants, amended the amortisation and make-whole, and modified the loan interest rate to 3-month SOFR plus 8.5 per cent., subject to a 2.5 per cent. floor, in exchange for an amendment fee. From 5 March 2024 through 9 May 2024, the Company entered into three amendments with OptiNose US. The amendments collectively waived the no 'going concern' requirement with respect to its financial statements until the end of the 2025 fiscal year, extended the make-whole period by 6 months and revised the sales and minimum liquidity covenants. The waiver of the no 'going concern' requirement remains until the end of the 2025 fiscal year and the revised minimum liquidity covenant was contingent on a successful equity raise. OptiNose announced on 9 May 2024 a successful $55.0 million registered direct offering. In connection with these amendments, OptiNose also issued 4.7 million shares in the aggregate to the Company and Private Fund in satisfaction of approximately $4.7 million of outstanding amendment and waiver fees. On 21 May 2025, Paratek announced its successful acquisition of OptiNose. In connection with the closing, OptiNose repaid its remaining $71.5 million balance to the Company and the Company received $11.3 million in accrued interest and prepayment and make-whole fees. The Company also received proceeds of $1.6 million in connection with the Company's outstanding OptiNose shares. Under the terms of the acquisition, Paratek acquired all outstanding shares of OptiNose US for approximately $330.0 million including the assumption of debt and assuming full payment of the contingent value rights (CVRs), and OptiNose shareholders were paid $9 per share in cash and received CVRs for up to $5 per share in cash payable in the event that certain net revenue milestones are achieved. In the year to 31 December 2025, BPCR Limited Partnership recorded interest of $3.6 million (31 December 2024: $9.9 million). The outstanding balance as at 31 December 2025 was $nil (31 December 2024: $71.5 million). The Company no longer held warrants as at 31 December 2025. As at 31 December 2024, the Company held 1.4 million warrants valued at $64,000.

On 8 December 2017, the Company's wholly-owned subsidiary BPCR Ongdapa entered into a purchase, sale and assignment agreement with RPI Acquisitions (Ireland) Limited ("RPI Acquisitions"), an affiliate Pharma, for the purchase of a 50 per cent. interest in a stream of Purchased Payments acquired by RPI Acquisitions from Bristol-Myers Squibb through a purchase agreement dated 14 November 2017. As a result of the arrangements, RPI's subsidiary and the Company's subsidiary were each entitled to the benefit of 50 per cent. of the Purchased Payments under identical economic terms. The Purchased Payments were linked to tiered worldwide sales of Onglyza and Farxiga, diabetes agents marketed by AstraZeneca, and related products. The Company funded all of the Purchased Payments based on sales from 1 January 2018 to 31 December 2019 for a total of $162 million. The final payment of $10.2 million was received on 13 March 2026. Based on sales from 1 January 2020 to 31 December 2025, the Company received $243 million consisting of $162.0 million of principal and $81.0 million in interest.

A Shared Services Agreement was entered into by and between RP Management, LLC, an affiliate of the Investment Manager, and the Investment Manager as of 1 January 2016. Under the terms of the Shared Services Agreement, the Investment Manager may have access to the expertise of certain Royalty Pharma employees, including its research, legal and compliance, and finance teams.

The Private Fund and RPI Acquisitions are related entities of the Company due to a principal of the Investment Manager, Pablo Legoretta, having influence over each of these entities.

[1] Past performance is not an indication of future performance.

18. CONTINGENCIES, GUARANTEES AND FINANCIAL COMMITMENTS

As at 31 December 2025, there were outstanding commitments in BPCR Limited Partnership of up to $229.2 million (31 December 2024: $250 million) in respect of investments (see Note 17 for further details).

19. SUBSEQUENT EVENTS

On 6 January 2026, the Company and the Private Fund entered into an amendment with Geron to extend the availability period for Tranche B and Tranche C to 30 September 2026 and extend the make-whole date for Tranche A to 1 May 2027.

On 10 February 2026, the Board approved an interim dividend in respect of the financial period ending 31 December 2025 of $0.03196044 per ordinary share, that was paid on 20 March 2026.

From 11 February 2026 through 18 February 2026, the Company sold 18 million of 1.75 per cent. CytoKinetics, Inc. senior unsecured convertible notes due 2031 at an average price of $1.29. The sales generated a gain of $5.2 million.

On 26 February 2026, the Company and the Private Fund entered into an amended and restated senior term loan agreement with UroGen for $250 million. The existing $125 million initial term loan was increased to $200 million in a new Tranche A (with the additional $75 million being funded at closing) and an additional Tranche B was added for up to $50 million that expires 30 June 2027. The Company's share of the transaction was $125 million. The loan will mature in February 2031 and will bear interest at a fixed rate of 8.25 per cent. per annum. and a one-time additional consideration of 1.50 per cent. of each new tranche is payable upon funding of each respective tranche, with the Company receiving $1.5 million in connection with the new Tranche A at signing. In addition, an exit consideration of 1 per cent. is also required upon any payment of principal, scheduled or otherwise.

On 14 March 2026, the Company and the private fund entered into a new senior secured loan agreement with Zenas BioPharma, Inc. The Company will invest up to $125 million, and the private fund will invest up to an additional $125 million in parallel, with the Company acting as collateral agent. Under the Loan Agreement, the Company will invest up to $125 million across five tranches, subject to customary conditions precedent (Tranche A of $37.5 million, Tranche B of $37.5 million, Tranche C of $12.5 million, Tranche D of $25 million and Tranche E of $25 million). The loan will mature in March 2031 and will bear interest at 3-month SOFR plus 5.75 per cent. per annum subject to a 3.25 per cent. SOFR floor. A one-time additional consideration of 2 per cent. of Tranche A and $50 million of Tranche B, and 1 per cent. of any amounts in excess of $50 million of the funding amount for Tranche B and each of Tranche C, D and E, is payable by Zenas upon the funding of each respective tranche.

On 16 March 2026, Paratek announced the successful completion of its combination with Radius Health, and the Company and Private Fund provided debt financing in support of this transaction. The Company and the Private Fund each funded $50 million and the new investment replaced the previous debt financing in which the Company and Private Fund each had $25 million with Paratek, which was repaid in its entirety. Since Paratek is a privately held company, further details about the new debt financing are not publicly available, but the terms of the loan are generally comparable with the Company's other investments.

Glossary of Terms and Alternative Performance Measures (APM)

APMs are employed to enhance the comparability of information across reporting periods. While APMs are not meant to replace International Financial Reporting Standards (IFRS) measures, they provide valuable additional insights into the business's performance.

DIVIDEND YIELD

The dividend yield is the total dividends declared for the calendar year divided by the share price at year end.

GROSS IRR

Gross IRR as of such prepayment date means an aggregate, annual, compounded, as applicable, internal rate of return, calculated on the basis of historical and projected capital inflows and outflows related to the particular investment, without taking into account the impact of management fees, incentive compensation, taxes, or transaction and organizational costs and expenses. Past performance is not an indication of future performance.

NET INCOME PER ORDINARY SHARE

Net income per ordinary share is the net revenue return for the year divided by the number of ordinary shares outstanding.

NET IRR

The net internal rate of return of a particular investment is calculated by applying a 20 per cent. reduction to the respective gross internal rate of return of a particular investment, which is the average percentage reduction from the gross internal rate of return and net internal rate of return each realized investment of BPCR since its inception through the most recently completed calendar year, and also reflecting that BPCR's shareholders are all subject to the same fees and incentive compensation payable by BPCR. The net internal rate of return for realized investments in the prior closed prior funds means an aggregate, annual, compounded, as applicable, internal rate of return, calculated on the basis of realized capital inflows and outflows for such investment, taking into account, the impact of its proportional share of fees and expenses actually paid by its relevant closed private fund. The Investment Manager believes this methodology is the appropriate approach to derive an approximate realized net internal rate of return for realized investments in the Company. Past performance is not an indication of future performance.

NAV PER ORDINARY SHARE

Net Asset Value (NAV) is the value of total assets less liabilities. The NAV per share is calculated by dividing this amount by the number of ordinary shares outstanding.

PREMIUM (DISCOUNT) TO NAV PER ORDINARY SHARE

As stock markets and share prices vary, an investment trust's share price is rarely the same as its NAV. When the share price is lower than the NAV per share it is said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the NAV per share and it is usually expressed as a percentage of the NAV per share. If the share price is higher than the NAV per share, it is said to be trading at a premium.

RETURN PER ORDINARY SHARE

Revenue return per Ordinary share is based on the net revenue after taxation divided by the weighted average number of Ordinary Shares for the year. Capital return per Ordinary Share is based on net capital gains divided by weighted average number of Ordinary Shares for the year.

Glossary of Terms and Alternative Performance Measures (APM) continued

ONGOING CHARGES

Ongoing charges are the Company's expenses expressed (excluding and including performance fee) as a percentage of its average monthly net assets and follows the AIC recommended methodology.

Ongoing charges are different to total expenses as not all expenses are considered to be operational and recurring.

The calculation below is in line with AIC guidelines.

		Year to 31 December 2025
Total expenses	(d)	27,897,000
Less: Performance fee		(14,431,000)
Total	(a)	13,466,000
Average monthly net assets	(b)	1,137,899,511
Ongoing charges excluding performance fee (c=a/b)	(c)	1.18%
Ongoing charges including performance fee (e=d/b)	(e)	2.45%

Corporate Information

DIRECTORS
Harry Hyman (Chairman)
Colin Bond
Duncan Budge
Stephanie Léouzon
Nigel Reynolds (Appointment date: 1 January 2026)
Sapna Shah
Rolf Soderstrom

INVESTMENT MANAGER AND AIFM
Pharmakon Advisors, LP
110 East 59th Street #2800
New York, NY 10022
USA

ADMINISTRATOR
Waystone Administration Solutions (UK) Limited
Broadwalk House
Southernhay West
Exeter
EX1 1TS

COMPANY SECRETARY
MUFG Corporate Governance Limited
Central Square
29 Wellington Street
Leeds
LS1 4DL

COMPANY WEBSITE
www.bpcruk.com

CUSTODIAN
Bank of New York Mellon
One Canada Square
London
E14 5AL

FINANCIAL AND STRATEGIC COMMUNICATIONS
Burson Buchanan Limited
Rose Court
2 Southwark Bridge Road
London
SE1 9HS

INDEPENDENT AUDITOR
Ernst & Young, Chartered Accountants
Harcourt Centre
Harcourt Street
Dublin 2 Ireland

JOINT BROKERS
J.P. Morgan Cazenove
25 Bank Street
London
E14 5JP

Investec Bank plc
30 Gresham Street
London
EC2V 7QP

LEGAL ADVISER
Herbert Smith Freehills LLP
Exchange House
Primrose Street
London
EC2A 2EG

REGISTRAR
MUFG Corporate Markets Limited
Central Square
29 Wellington Street
Leeds
LS1 4DL

Shareholder Information

KEY DATES

March	Annual results announced Payment of fourth interim dividend
June	Company's half-year end Payment of first interim dividend Annual General Meeting
September	Half-yearly results announced Payment of second interim dividend
December	Company's year end Payment of third interim dividend

FREQUENCY OF NAV PUBLICATION

The Company's NAV is released to the LSE on a monthly basis and is published on the Company's website.

ANNUAL AND HALF-YEARLY REPORT

Copies of the Company's Annual and Half-yearly Reports, stock exchange announcements and further information on the Company can be obtained from the Company's website www.bpcruk.com.

IDENTIFICATION CODES

SEDOL:	BDGKMY2
ISIN:	GB00BDGKMY29
TICKER:	BPCR
LEI:	213800AV55PYXAS7SY24

CONTACTING THE COMPANY

Shareholder queries are welcomed by the Company. While any queries regarding your shareholding should be directed to the Registrar, shareholders who wish to raise any other matters with the Company may do so using the following contact details:

Company Secretary – biopharmacreditplc@cm.mpms.mufg.com

Chairman – chairman@bpcruk.com

Senior Independent Director – sid@bpcruk.com

REGISTERED OFFICE

19th Floor, 51 Lime Street, London, EC3M 7DQ.

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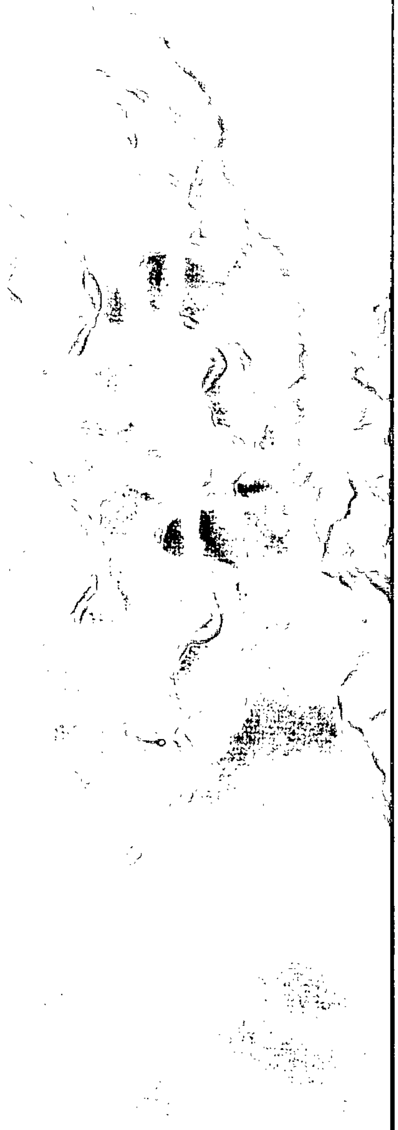

BioPharma
CREDIT PLC