

International Biotechnology Trust plc

Investing in biotechnology
for a healthier future

Half Year Report
For the six months ended 28 February 2025

Schroders

Performance Summary

NAV per share
total return*

2.9%

(Year ended 31 August 2024: 15.9%)

Share price
total return*

3.2%

(Year ended 31 August 2024: 10.3%)

Reference Index

-3.0%

(Year ended 31 August 2024: 15.3%)

Yield*

4.4%

(Year ended 31 August 2024: 4.2%)

Some of the financial measures are classified as alternative performance measures ("APMs"), as defined by the European Securities and Markets Authority and are indicated with an asterisk (*). Definitions of these performance measures, and other terms used in this report, are given on pages 28 and 29 together with supporting calculations where appropriate.

Investment objective and policy

The investment objective of International Biotechnology Trust plc is to achieve long-term capital growth by investing in biotechnology and other life sciences companies.

The Company will seek to achieve its objective by investing in a diversified portfolio of companies which may be quoted or unquoted and whose shares are considered to have good growth prospects, with suitably experienced management and strong potential upside through the development and/or commercialisation of a product, device or enabling technology. Investments may also be made in related sectors such as medical devices and healthcare services. While the Company's portfolio is held as one pool of assets, for operational purposes there is a quoted portfolio and an unquoted portfolio. The portfolio is diversified by geography, industry sub-sector and investment size with no single investment in a company normally accounting for more than 15% of the portfolio at the time of investment.

The portfolio is split between large, mid and small-capitalisation companies, primarily quoted on stock exchanges in North America, where the most established and commercial biotechnology and other life sciences companies operating in related sectors are based, though investments may also be made in Europe, Asia and Australia. Investments may also be made into unquoted companies and into funds not quoted on a stock exchange, including venture capital funds. This may include funds managed by the Fund Manager and/or members of its group. The primary purpose of investment in unquoted funds will be to gain exposure to unquoted companies.

The Company may invest through equities, index-linked securities and debt securities, cash deposits, money market instruments and foreign currency exchange transactions. Forward or derivative transactions are not used by the Company.

The Company may borrow from time to time to exploit specific investment opportunities, rather than to apply long-term structural gearing to the Company's portfolio of investments.

This is not a sustainable product for the purposes of the Financial Conduct Authority (FCA) rules. References to the consideration of sustainability factors and environmental, social and governance (ESG) integration should not be construed as a representation that the Company seeks to achieve any particular sustainability outcome.

Ongoing charges ratio*

1.2%

(Year ended 31 August 2024: 1.2%)

Share price discount
to NAV per share***11.2%**

(As at 31 August 2024: 11.3%)

Gearing*

11.5%

(As at 31 August 2024: 4.4%)

Share price

686.0p

(As at 31 August 2024: 680.0p)

Interim Management Report

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Financial

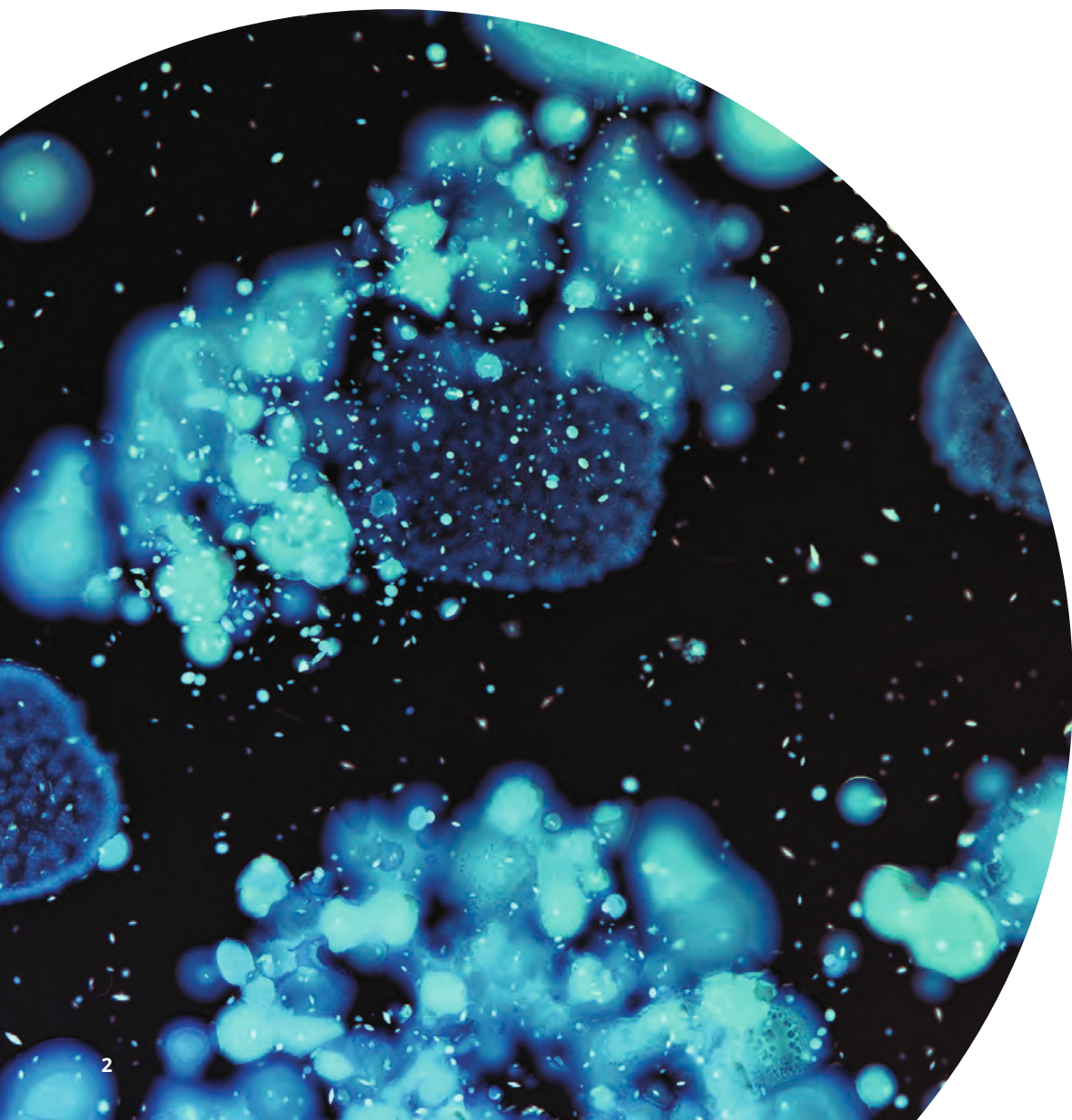
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Interim Management Report

Interim Management Report

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Kate Cornish-Bowden

Chair

Dear Shareholders

I am pleased to report that the net asset value (NAV) of International Biotechnology Trust plc (the "Company") has again beaten the Nasdaq Biotechnology Index (NBI), (the "Reference Index"), during the six-month period under review. The NAV delivered a total return of 2.9% per share, while the NBI fell by 3.0% over the period. The share price total return per share was 3.2%¹.

The six-month period to the end of February 2025 included the election of a new US president, and the short lived euphoria of markets anticipating business friendly policies, followed by the reality check of the economic implications of global trade wars. A mixed picture on the probable direction of interest rates, expectations for slower growth and increasing confusion as to the likely course of conflicts in the Middle East and Ukraine have shaken investor confidence. This was reflected primarily in the share price falls of the dominant technology companies in the S&P 500, but the risk averse environment also impacted the biotechnology sector. The political appointment of Robert F Kennedy Jr, a renowned vaccine sceptic, as Health and Human Services (HHS) Secretary has further shaken confidence. Moreover, the administration's decision to cut funding for the National Institute of Health (NIH) and make staff cuts at the US Food and Drug Administration (FDA), could impact future drug approvals.

Your Portfolio Managers, Ailsa Craig and Marek Poszepczynski performed well in this volatile environment comfortably outperforming the Reference Index during the six-month period under review. Since taking over the management of the Company in March 2021, they have delivered a NAV return of 14.7%, substantially ahead of the NBI which rose by 2.9% (sterling adjusted with dividends reinvested) over the period.

In May last year the Company celebrated its 30th anniversary. At the end of February 2025, The Association of Investment Companies (AIC) released a list of 50 investment trusts which would have made investors more than £1 million if they had invested the full annual ISA allowance in the same investment trust each year from 1999,

when ISAs were first introduced. We were delighted to see the Company on this list².

Quoted portfolio

During the six months under review, the NAV per share of the quoted portfolio returned 4.3% (gross of management and performance fees) outperforming the Reference Index, which fell by 3.0%.

The biggest contributor to performance came from Uniqure, a Netherlands listed gene therapy company. The most significant therapy under development in Uniqure's pipeline is a potentially transformational treatment, AMT-130, which appears to slow the progression of the rare neurodegenerative Huntington's Disease. There is a high unmet medical need for patients and a lack of currently available treatment for people with this fatal disease. In December 2024, the company announced that they had reached agreement with the FDA on key elements of an accelerated approval pathway for AMT-130, which led to the share price doubling.

Once again, the successful identification of mergers and acquisitions (M&A) targets has also been a significant contributor to outperformance. US listed Intra-Cellular Therapies, a company focused on therapeutics for central nervous system (CNS) disorders, was the largest holding in the portfolio when Johnson & Johnson (J&J) made a conditional bid for the company in January of this year. Intra-Cellular's Caplyta is an FDA-approved treatment for depression and schizophrenia. The deal is subject to the usual regulatory approvals, but J&J has agreed to pay a 39% premium to the pre bid price.

The main detractor from performance to the end of February 2025 was the underweight position in the large capitalisation biotechnology anti-infectives company, Gilead. Gilead reported strong results from sales of its HIV medication but the Portfolio Managers believe market estimates of future sales are too high. Gilead also benefited from investors' flight to defensive cash generating companies which occurred towards the end of the period.

¹ Source: Morningstar, on a sterling-adjusted total return basis, with dividends reinvested.

² Source: AIC, <https://www.theaic.co.uk/aic/news/press-releases/the-50-investment-trusts-that-would-have-made-you-an-isa-millionaire>. Investors allocating their full ISA allowance to the Company and investing in its shares every year since 1999 would have amassed assets of nearly £1.4 million by the end of January 2025, a share price total return of 2,139% over the 25-year period.

Unquoted portfolio

The unquoted portfolio, which comprised 7.6% of the Company's total investments at the period end, continued to be primarily invested in two venture capital funds managed by SV Health, SV Fund VI and SV Biotech Crossover Opportunities Fund LP (SV BCOF), as well as a small number of directly held unquoted companies, most of which have been exited with potential contingent milestone payments still remaining. We believe this diversified exposure to unquoted assets has proved lucrative for the Company's shareholders and the venture capital funds have performed well in spite of the difficult funding environment for very early-stage companies.

SV Fund VI

As at 28 February 2025, SV Fund VI represented 3.0% of total investments. Since the Company's initial investment in 2016, the fund has performed well, delivering a net currency adjusted internal rate of return (IRR) of 14.9% per annum. SV Fund VI, which includes a range of early-stage biotechnology, medical device and healthcare services companies, is now a mature portfolio with 90% of the capital committed drawn down.

SV BCOF

SV BCOF, the newer fund which invests in later stage and/or pre-initial public offering (IPO) opportunities, represented 3.0% of total investments at the period end. The \$30 million commitment is only 49% drawn down. In February 2025, SV Health initiated a new investment in AdvanCell Therapeutics, an Australian company targeting cancer diagnosis and treatment. During the period under review, the share prices of the two listed companies in the SV BCOF portfolio have fallen. In December 2024, BioAge stopped the trial of its experimental obesity drug after reporting liver toxicity, leading to a significant fall in the share price. Bicycle Therapeutics has also fallen during the six-month period, but the company has recently announced positive results in its early-stage trials for ovarian and bladder cancers. In spite of these issues, as at 31 December 2024, SV BCOF has delivered a net IRR of over 100%, an excellent performance, albeit very early in the life of this venture capital fund.

Of the small number of directly held legacy assets, the most significant is the discounted value of the royalty streams from Ikano Therapeutics which was sold to Belgian listed UCB in 2006. This holding represents 1.4% of total investments as at 28 February 2025.

Dividends

The Company's dividend policy, which was last approved at the Annual General Meeting (AGM) held in December 2024, is to make dividend payments equivalent to 4% of the Company's NAV, as at the last day of the preceding financial year being 31 August, through two semi-annual distributions. The first dividend, for the year ending 31 August 2025 of 15.56 pence per share, was paid on 24 January 2025. As at 28 February 2025, the dividend yield for the Company was 4.4%. The Board intends to declare the second dividend for the year, in accordance with the above policy, in July 2025 for payment in August 2025.

Discount management

The share price discount to NAV was 11.2% as at 28 February 2025, largely unchanged from the 11.3% discount at the end of the financial year. The Board continues to keep the Company's share price discount to NAV under close review and is committed to buying back its shares to help manage the position. The Board bought back 1,290,971 shares to be held in treasury during the period. The Board believes that buying back shares at a discount to NAV is not only accretive to our shareholders but demonstrates our confidence in the underlying fundamental value of our investments.

Costs and fees

Outperformance of both the quoted and unquoted portfolios for the six-month period, led to a performance fee of £1,885,000 accruing. In respect of the quoted portfolio, a performance fee of £1,814,000 accrued to the Manager whilst a fee of £71,000 has also accrued to SV Health in respect of the performance of the unquoted portfolio. The ongoing cost ratio remained flat at 1.2%.

Board and succession

The Board was pleased to welcome Alexa Henderson on 1 January 2025 as Chair Designate of the Audit Committee, to succeed Caroline Gulliver. Alexa has a wealth of finance, accounting and audit experience whilst also having served as a non-executive Director on the Board of a number of investment companies.

As announced on 10 April 2025, Caroline Gulliver retired from the Board on 30 April 2025 and Alexa has now been appointed as Chair of the Audit Committee.

The Board and I would like to record our thanks to Caroline for her invaluable contribution and tireless efforts on behalf of the Company's shareholders; and to wish her well for the future.

Outlook

There is no doubt that we are in a period of great uncertainty for equity investors. The aggressive implementation of global trade tariffs by the American administration has knocked confidence and will be highly likely to lead to inflation and slower economic growth worldwide. At the time of writing, the position regarding tariffs in the biotechnology and pharmaceutical sectors remains unresolved. The new US Health Secretary has recently announced plans to reduce the number of employees at the Food and Drug Administration (FDA) by 25% which includes many eminent scientists. This is likely to impact the pace of drug reviews and approval timelines for innovative new treatments.

However, we believe, the long-term fundamentals for the biotechnology industry remain very much intact. Increasing demand for medicines to treat disease and help us live healthier, longer lives is inevitable as populations across the globe age.

Combine this with the extraordinary progress in drug development in the last few years and the future for the sector looks very promising. Innovations such as messenger RNA molecule (mRNA) technology which is now being trialled to target cancer and autoimmune disease, and the recent historic approval of the first gene therapy using clustered regularly interspaced short palindromic repeats (CRISPR-Cas9) technology, Calgevry for sickle cell disease, are reshaping the industry. Rapid and cost-effective sequencing of DNA has led to targeted, more effective personalised therapies; and the application of artificial intelligence (AI) has revolutionised drug discovery allowing for faster analysis of data including genomic, clinical and lifestyle information to predict disease and optimise treatment strategies.

The Portfolio Managers and the Board believe that recent share prices falls have created an extraordinary valuation opportunity for investors who understand that these long term industry fundamentals should prevail.

Kate Cornish-Bowden

Chair

12 May 2025

Portfolio Managers' Review



Ailsa Craig



Marek Poszepczynski

We are pleased to present the Portfolio Managers' Review for the six months ended 28 February 2025. Despite a challenging period for the biotechnology sector, the Company's NAV total return was 2.9% and the share price total return was 3.2% over the period¹. In contrast, the Reference Index² delivered a negative total return of -3.0%, while small-capitalisation biotechnology stocks³ experienced a sharper fall.

Market overview

In the early weeks of the period, stocks traded broadly flat as the market held its breath awaiting the US presidential election. In early November 2024, the sector rallied on expectations of a more pro-business stance under the new US administration, echoing the strong performance seen during the previous Trump Presidency. However, this momentum subsequently waned following the nomination of Robert F Kennedy Jr as Secretary of Health and Human Services, which introduced uncertainty due to his views on vaccines. Further declines occurred in February 2025 after the announcement of new tariffs on imports from a range of countries, leading to an increasing risk aversion among investors, a broader market sell-off and recession fears.

M&A activity in the biotechnology sector was subdued during the period, reflecting regulatory uncertainty and a cautious approach from pharmaceutical companies towards large-scale acquisitions. This followed a challenge by the US Federal Trade Commission (FTC) of two major deals, Amgen's acquisition of Horizon Therapeutics in 2022 and Merck's bid for Seagen in 2023, creating an uncertain environment that has since kept many potential buyers on the sidelines. However, both deals did eventually gain approval and close successfully. The appointment of Andrew Ferguson as FTC Chairman in January 2025, potentially signals a shift towards a more business-friendly regulatory environment, and we expect the re-emergence of deal activity to be a feature of 2025 and beyond.

Towards the end of the period under review, the Company benefited from the biggest biotechnology deal since 2023, when the portfolio's largest holding, **Intra-Cellular Therapies**, was acquired by Johnson & Johnson for \$14.6 billion⁴. It is the third time that the Company's largest holding has been acquired since we took over as lead Portfolio Managers in March 2021. Twenty six companies within the portfolio have been acquired by major pharmaceutical companies since 2020. These transactions underscore pharmaceutical companies' enduring search for innovative biotechnology companies and highlight the Company's ability to identify value-creating opportunities.

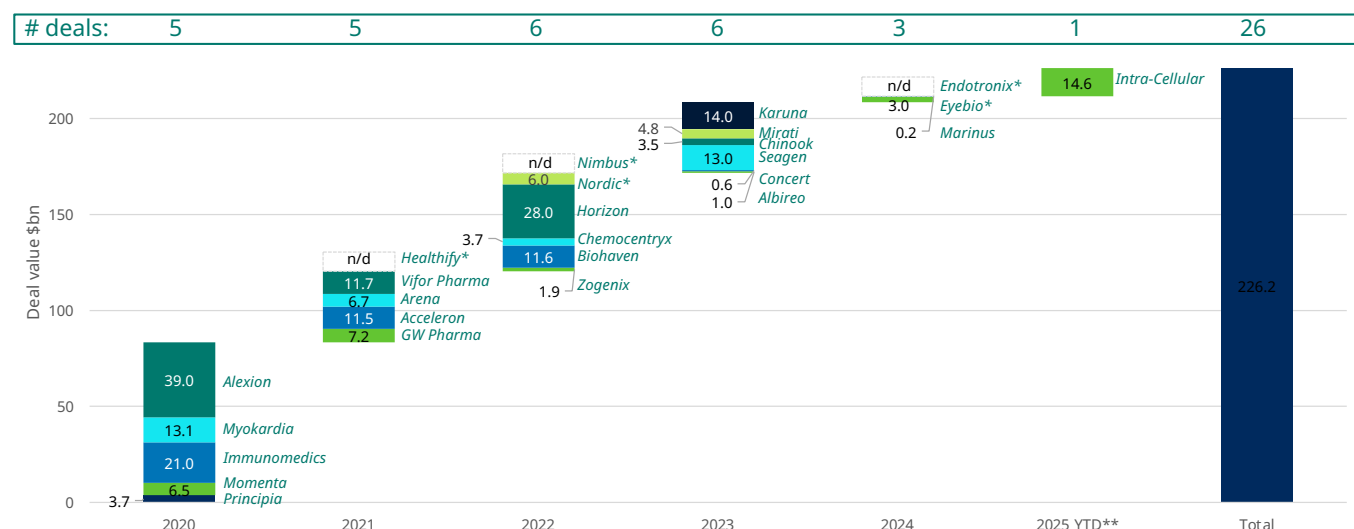
¹ The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Company's portfolio and performance may deviate from the Reference Index. The Investment Manager will invest in companies or sectors not included in the Reference Index in order to take advantage of specific investment opportunities.

² Reference Index is the measure against which the Company compares its performance. It is the NASDAQ Biotechnology Index (with dividends reinvested) sterling adjusted.

³ Source: Russell 2000 Biotech Index, Bloomberg.

⁴ Source: J&J Company Announcement 13/01/2025.

26 portfolio companies have been acquired since 2020



* denotes acquisition targets within the unquoted portfolio ** To end February 2025

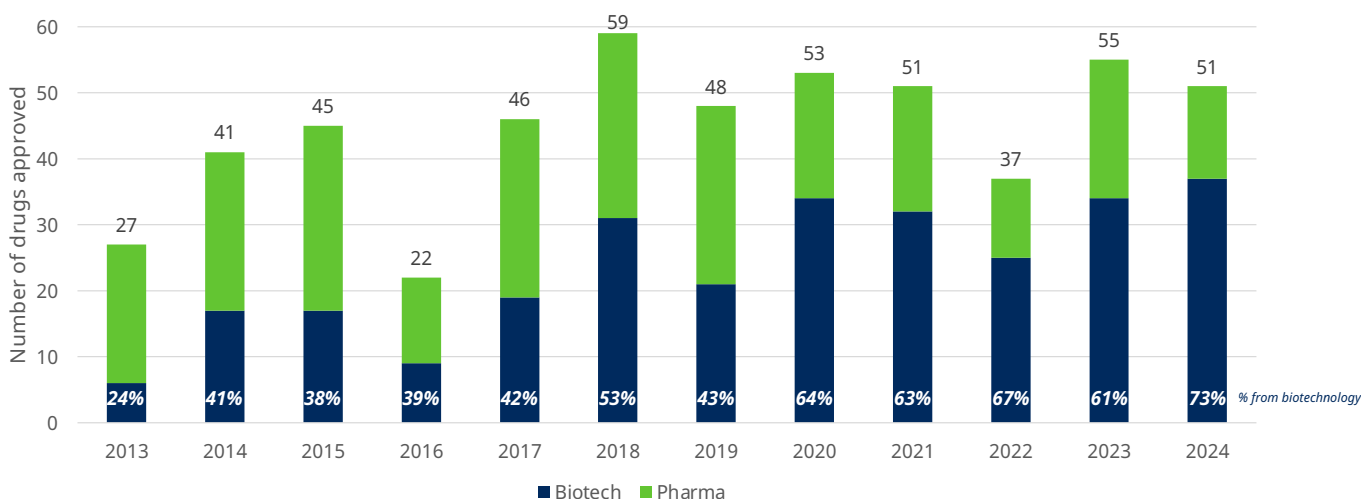
Past performance is not a guide to future performance. M&A=Mergers and Acquisitions.

Source: Schroders and Company Press Releases. Reference to securities are for illustrative purposes only and not a recommendation to buy or sell.

The structural forces underpinning biotechnology M&A are stronger than ever. Large pharmaceutical companies have progressively scaled back their in-house research and development (R&D) efforts in recent years, shifting their focus from early-stage drug discovery to late-stage commercialisation and distribution. This has left the bulk of medical innovation in the hands of biotechnology firms – the proportion of new drug approvals originating from biotechnology companies has risen from 24% in 2013 to 73% in 2024⁵, as can be seen on the below chart. Yet, pharmaceutical companies continue to face a pressing need to replace lost revenues from upcoming patent expirations. The obvious solution is to acquire, or in-license, assets from biotechnology as they approach the point of commercialisation. What results is a symbiotic relationship within the healthcare industry, in which biotechnology serves as the engine of innovation while pharmaceutical provides the infrastructure to bring new therapies to market. This represents a strong, natural, and enduring rationale for continued M&A.

Meanwhile, innovation in the biotechnology industry has continued at a rapid pace, as reflected in another strong year of new drug approvals by the FDA.

Number of new drug approvals by source of product



Source: [FDA.gov](https://www.fda.gov) (novel NDA/BLA approvals). Company reports - Bank of America global research

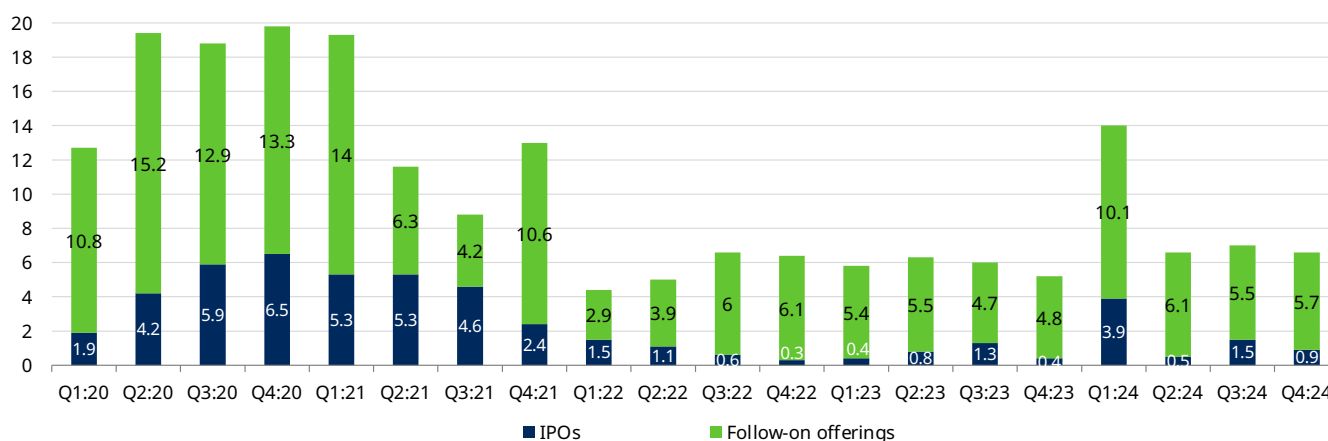
Biotechnology includes drugs sourced from large cap and SMID companies directly and via M&A/Licence

Additionally, there are signs that the biotechnology funding environment is gradually improving with optimism about the initial public offering (IPO) pipeline and established companies readily accessing additional equity financing.

⁵ Source: Bank of America global research. [FDA.gov](https://www.fda.gov) (novel NDA/BLA approvals). Company reports.

Equity raised by biotechnology companies (2020–2024)

Amount raised (\$bn)



Source: DealForma Database, data to 31 December 2024.

2024 saw an improvement in the number of IPOs making it to market but was still significantly behind the boom years of 2020 and 2021 which saw many early stage companies⁶ whose products had not yet started testing for efficacy coming to market. The slowdown in IPOs that followed has resulted in many businesses staying private for longer, suggesting they should represent lower-risk, higher-quality investment opportunities as and when they do seek to list.

From the perspective of valuations, there is now a striking divergence across the market capitalisation spectrum. At the start of 2025, larger-capitalisation biotechnology companies rallied as investors, seeking safety amid market weakness especially in the technology sector, rotated into the biotechnology sector but favoured more liquid, established, profitable names. This we believe has left many small and mid-capitalisation biotechnology stocks trading at very attractive valuations. Despite significant fundamental progress, the Russell 2000 Biotechnology Index is revisiting the levels seen five years ago. Not only are smaller biotechnology stocks trading at much better value than their larger peers, we believe they also offer significantly higher growth rates. With this dynamic in place, the opportunity ahead looks clear for investors willing to look beyond short-term market trends.

Performance review

The Company delivered a solid performance during the six-month period, generating a positive return for shareholders, despite the broader declines seen by the biotechnology sector. The NAV per share produced a total return of 2.9%, outperforming the Reference Index, which delivered a total return of -3.0%. The share price also posted a positive total return of 3.2%. The discount to NAV at which the Company's shares traded narrowed marginally from 11.3% at the beginning of the period to 11.2% on 28 February 2025.

Quoted portfolio

The NAV of the quoted portfolio produced a total return of 4.3% (gross of management and performance fees), for the six-month period, outperforming the Reference Index, which delivered a total return of -3.0%, and the small-capitalisation-focused Russell 2000 Biotechnology Index, which declined by 9.8%⁷.

M&A

The Company benefited from two acquisition deals during the period under review, despite the lull in M&A activity seen across the biotechnology sector as a whole. By far the most impactful was the acquisition of **Intra-Cellular Therapies**, the Company's largest holding representing 7.1% of NAV at the time, by Johnson & Johnson for approximately \$14.6 billion⁸. Announced in January 2025, the deal valued Intra-Cellular at \$132 per share, representing a 39% premium to its previous share price. The acquisition was driven by the strength of Caplyta (lumateperone), Intra-Cellular's fast-growing treatment for schizophrenia and bipolar depression, which has been gaining significant market traction. With further pipeline assets in development for neuropsychiatric and neurodegenerative disorders, Intra-Cellular was a prime target for large capitalisation pharmaceutical businesses looking to expand in this area.

Meanwhile, the Company also benefited from the acquisition of **Marinus Pharmaceuticals** by the Swedish company Immedica for approximately \$151 million⁹. Announced in December 2024, the deal came at a 48% premium to the closing share price prior to the announcement. The acquisition was driven by the strategic value of Ztalmy (ganaxolone), Marinus' FDA-approved treatment for a rare and severe form of childhood epilepsy.

Other positive contributors to NAV

Unique is a gene therapy company from the Netherlands focused on developing one-time treatments for severe genetic disorders. Its most advanced program, AMT-130, is a potential first-in-class gene therapy for Huntington's disease. Its share price rose sharply after securing FDA alignment in December 2024 on the key elements of an accelerated approval pathway for this asset, which represents a major step towards its potential commercialisation. In our view, the valuation uplift was justified as even before this news, Unique had a very low enterprise value (market capitalisation less cash).

⁶ Companies which are in Phase 1 of clinical trials or earlier. Phase 1 is the first time a potential drug is tested in humans and focuses predominantly on safety.

⁷ Source: Bloomberg.

⁸ Source: J&J Company Announcement 13/01/2025.

⁹ Source: Immedica Company Announcement 30/12/2024.

SpringWorks Therapeutics is a biopharmaceutical company developing treatments for rare diseases and cancer. In February 2025, the company received a major boost when the FDA approved mirdametinib, its lead drug, for the treatment of a type of neurofibromatosis, a rare genetic condition that causes painful, tumour-like growths in nerves. This long-awaited approval provides strong validation of SpringWorks' approach and significantly enhances its commercial prospects. Shortly after, reports emerged that Merck was in advanced discussions to acquire the company, driving further interest in the stock. The combination of regulatory success and takeover speculation led to a sharp re-rating, reflecting renewed and fundamentally justified investor confidence in SpringWorks' potential.

Relative negative detractors to NAV

Gilead Sciences is not held in the portfolio, but its strong performance during the period was a source of relative underperformance. Investors have become increasingly enthusiastic about the anticipated launch of Gilead's new HIV prevention drug, lenacapavir, which has prompted a significant rise in its share price and valuation. Moreover, we have concerns on the new administration's stance regarding funding HIV infection prevention as, shortly after the period under review, dozens of grants to study how to prevent new HIV infections were cancelled. Gilead hopes to launch a new, more convenient version of pre-exposure prophylaxis (PrEP) this year which may struggle with market adoption when a cheaper, less convenient option is already available. Additionally, as a large, liquid defensive stock, Gilead benefited from the 'flight to safety' towards the end of the period. We remain underweight in Gilead as we continue to believe that the current valuation is driven more by investor enthusiasm than the potential value in the company, even taking into account its prospects for growth.

Rocket Pharmaceuticals is a clinical-stage company developing gene therapies for rare childhood disorders. During the period, its share price faced pressure due to slower-than-expected patient enrolment in trials for RP-A501, its gene therapy for Danon Disease, a rare genetic disorder affecting the heart. This also reflects the therapy's relatively small target market, which may ultimately limit its potential commercial value. While market sentiment has largely focused on this programme, we continue to see broader value in Rocket's pipeline, which includes multiple gene therapy candidates for other rare diseases. In combination, the potential commercial value of this pipeline is ultimately much greater.

Olema Pharmaceuticals is focused on developing targeted therapies for women's cancers, particularly breast cancer. A relatively small position within the portfolio's emerging oncology basket, its stock declined during the period amid scepticism over whether its lead candidate, palazestrant (OP-1250), an oral therapy designed to block and degrade the estrogen receptor, will prove more effective than existing treatments. The company continues to advance clinical trials to validate its approach.

Unquoted portfolio

The Company's unquoted portfolio which represented 7.6% of total investments as at the end of February 2025, comprises principally investments in two venture funds run by SV Health.

SV Fund VI

SV Fund VI, launched in 2016 is now in run-off mode, and gradually returning capital to shareholders. During the period under review, SV Health has continued to support the SV Fund VI portfolio with follow-on investments made to **JetHealth**, **Ribometrix**, **Enara** and **TrexBio**. Despite the continued uncertainty in the funding environment for unquoted companies and pressure on valuations, SV Fund VI has performed well, delivering a net IRR of 14.9% since inception.

SV BCOF

The more recent investment is in a crossover fund, SV BCOF, which is designed to include investments in companies which have therapeutics in the clinic, and/or are closer to valuation realisation through either strategic deals, acquisition or listing. Since we initially invested in BCOF in 2021, the fund has delivered a net IRR of 100%, an excellent performance, albeit still early in the life of this venture capital fund.

In February 2025, SV Health led the Series C funding round for **AdvanCell**, an innovative radiopharmaceuticals company based in Australia, as it aims to establish its operations in the US and expand its international investor base. AdvanCell is focused on developing novel targeted alpha therapies for cancer diagnosis and treatment. The financing will support AdvanCell in generating meaningful clinical data for its lead programme while also facilitating the scaling up of manufacturing capabilities in the US. In September 2024 SV Health successfully closed the Seed round for **Draig Therapeutics**, built around a portfolio of clinical and pre-clinical assets in the field of precision psychiatry. Draig's lead programme is already in the clinic making it a suitable investment for SV BCOF, with its late-stage investment focus. The Company continues to advance well. **BioAge** (NASDAQ: BIOA), which is centred on next-generation obesity therapeutics, faced a significant decline in share price following the discontinuation of its lead programme due to liver-related side effects in certain trial participants. Nevertheless, after its IPO in September 2024, BioAge maintains a solid cash reserve of over \$350 million, positioning it well to navigate these challenges and continue its research efforts. Similarly, **Bicycle Therapeutics** (NASDAQ: BCYC) has experienced a considerable drop in share price over the past quarter, despite holding cash balances of \$880 million as of December 2024. The company continues to show promising efficacy signals in its Phase 2 studies for patients with heavily pre-treated ovarian and bladder cancer, indicating that market perceptions may not accurately reflect the underlying value and potential of the company.

The Company retains an exposure to potential income from previous portfolio companies which have been acquired but have milestone payment agreements with previous shareholders including SV Health. The most significant of these is Ikano, a company focused on developing nasal drug delivery systems. Ikano was sold to Belgian pharmaceutical company UCB in 2007; the current valuation represents the discounted cash flows of future royalty streams based on achieving certain milestones. During the period under review the Company received a further £334,183 from Ikano in royalty streams from this investment.

Portfolio positioning

Our investment strategy remains focused on identifying companies with innovative technologies addressing unmet medical need, strong intellectual property and solid growth potential. Stock selection is informed by a clear top-down view of the biotechnology opportunity set, which evolves over time, as does our appetite for risk.

When we took over the lead Portfolio Manager role for the portfolio in 2021, our initial strategy focused on larger, more liquid biotechnology stocks to manage risk and volatility. This approach reflected the backdrop of rising interest rates and the potential for a pullback after a period of strong gains from the biotechnology sector, while ensuring exposure to high-quality, cashflow-generating companies with strong fundamentals.

However, since late 2023, we have become increasingly confident in the improving risk-reward balance in the sector and have elected to progressively shift down the market capitalisation spectrum by increasing exposure to small and mid-capitalisation biotechnology stocks. With valuations in this segment at historically low levels, we see a compelling opportunity to invest in companies with strong

fundamentals that should be the key beneficiaries of improving investor sentiment and a recovering M&A environment.

Importantly, this shift has not come at the expense of revenue-generating businesses. Approximately half of the portfolio remains invested in companies with approved products and commercial traction, ensuring a finely tuned balance between innovation, clinically validated assets and significant future potential. Yet, many of these businesses are trading at valuations that, in our view, significantly undervalue the long-term commercial potential of their technology. Meanwhile, this segment is a sweet spot for M&A activity, as larger pharmaceutical companies look to replenish their pipelines with proven assets.

We also take a 'basket approach' to therapeutic areas where the ultimate winners are still somewhat harder to predict, such as emerging oncology, central nervous system (CNS) and obesity. This involves a lower risk, diversified strategy of taking smaller positions across a range of the most promising assets, rather than backing a single opportunity, with the aim of refining our selection as their relative prospects become clearer.

These changes result in a less concentrated portfolio with more holdings, where the top ten positions account for a lower percentage of the overall portfolio. We strongly believe this is an appropriate strategy for the current opportunity set, which should allow the portfolio to generate significant value as the sector moves through the more rewarding phases of the biotechnology investment cycle.

Outlook

The structural growth drivers underpinning biotechnology remain firmly intact. As populations become older, richer and sicker, demand for healthcare innovation continues to rise. Against this backdrop, it is clear that biotechnology must continue to play a central role in delivering both significant societal benefits and attractive investment opportunities.

Despite these long-term tailwinds, biotechnology valuations remain at compellingly low levels, particularly among small and mid capitalisation companies where we believe the opportunity for future growth looks significant. We believe 2025 is shaping up to be a major year for product launches, with several portfolio companies bringing their therapies to market independently without additional marketing and distribution muscle from a pharmaceutical partner. This is perhaps a reflection of the recent M&A lull, but these businesses are obvious bid targets for large pharmaceutical companies looking to replace revenues that are under threat from patent expiries, should the industry's appetite for deals return.

Biotechnology remains the engine of healthcare innovation, with 70% of new drug approvals now originating from the sector. Ten years ago, the inverse was true, with 70% of new drug approvals emanating from big pharmaceutical R&D. One of the few missing ingredients in an otherwise attractive backdrop has been IPO activity, which has remained subdued since the speculative wave of 2021. The return of IPO activity would be a welcome development, but we do not view it as essential for the sector to perform well.

Ironically, the paucity of IPOs has contributed to a steady decline in the number of constituents in the Reference Index. This should not be mistaken for a lack of opportunity – on the contrary, it reflects a 'survival of the fittest' dynamic which results in a stronger set of businesses that are better positioned for long-term success.

Although healthcare did not feature prominently in the US election campaign last year, President Trump's victory has introduced elements of uncertainty for the biotechnology sector. This has been exacerbated by the new tariff framework, where the pharmaceutical sector was not included in the first wave of announced tariffs. The sector's complexity means that more analysis is required and the expectation is that it will be a few months before any clarity on pharmaceutical tariffs emerges.

As mentioned previously, the appointment of Robert F Kennedy Jr unsettled the market due to his history of vaccine scepticism. More broadly, other key appointments for the sector, such as Dr Martin Makary for Commissioner of the FDA and Dr Jayanta Bhattacharya for Director of the NIH, initially appeared relatively benign. However, recent changes to senior management at the FDA alongside widespread staffing cuts, have caused some market turbulence and, in combination with the prospect of tariff impositions, may continue to do so. In addition, NIH funding cuts are already being implemented, with grant terminations and budget reductions affecting some early-stage research and academic institutions. While this could create near-term challenges for companies reliant on early-stage funding, we believe the strongest and most innovative biotechnology businesses will continue to attract capital and advance new treatments.

The Inflation Reduction Act (IRA), introduced by the Biden administration, is expected to remain in place, though discussions about possible modifications are ongoing. These could ease pressure on the healthcare sector, but legislative changes would take time and remain uncertain. It is worth noting that during President Trump's previous term, the biotechnology sector experienced a 40% increase, suggesting that political uncertainty does not necessarily prevent the sector from outperforming.

Conclusion

At the time of writing, the sector is experiencing renewed pressure, with concerns over tariffs and broader political uncertainty driving market-wide risk aversion. As capital rotates into perceived safe havens, large-capitalisation biotechnology stocks, where we are underweight, have outperformed, pushing their valuations to levels that now look even more stretched and imply successful execution of their strategies. While the precise timing of a rebound is difficult to predict, we do not expect this dislocation to persist for long. In the meantime, the most compelling valuation opportunities are found further down the market capitalisation spectrum. Where share prices have weakened due to external factors and not by fundamentals, we are taking the opportunity to add to holdings at these levels.

Indeed, we believe the current biotechnology investment environment presents a significant opportunity. Our investment approach remains unchanged, we continue to focus on identifying high-quality, innovative biotechnology companies that are attractively valued by the market, whether as future M&A targets, or as long-term success stories in their own right.

Over the past three years, we have delivered solid outperformance versus the Reference Index through a range of market conditions. Looking ahead, we are confident that biotechnology is now in a protracted positive phase of its investment cycle, one that should benefit the sector as a whole, but where experienced, active, specialist investors are especially well-placed to create additional value.

We appreciate your continued support and look to the future with great confidence.

Ailsa Craig and Marek Poszepczynski
Portfolio Managers

12 May 2025

Past Performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of investments to fall as well as rise. Any reference to regions/ countries/ sectors/ stocks/ securities is for illustrative purposes only and is not a recommendation to buy or sell any financial instruments or adopt a specific investment strategy. The material is not intended to provide, and should not be relied on for, accounting, legal or tax advice, or investment recommendations. Reliance should not be placed on any views or information in the material when taking individual investment and/or strategic decisions.

Investment Portfolio

as at 28 February 2025

Quoted investments

Equities

Investment	Therapeutic area	Geographic location	As at 28 February 2025	
			£'000	%
SpringWorks Therapeutics	Oncology	United States	25,567	8.2
Ascendis Pharma	Rare diseases	Europe	13,046	4.2
Cytokinetics	Other	United States	12,634	4.1
Uniqure	Haematology	Europe	11,213	3.6
BioMarin	Rare diseases	United States	10,271	3.3
Traverse Therapeutics	Auto-immune	United States	10,065	3.2
KalVista Pharmaceuticals	Rare diseases	United States	9,792	3.1
Vera Therapeutics	Auto-immune	United States	9,601	3.1
Insmed	Rare diseases	United States	8,260	2.7
Madrigal Pharmaceuticals	Liver	United States	8,232	2.6
Biogen	Central nervous system	United States	7,793	2.5
Supernus Pharmaceuticals	Central nervous system	United States	6,792	2.2
Structure Therapeutics	Other	United States	5,159	1.7
Apellis	Rare diseases	United States	5,045	1.6
Sarepta Therapeutics	Rare diseases	United States	4,975	1.6
Regeneron	Ophthalmology	United States	4,815	1.5
Legend Biotech	Oncology	United States	4,654	1.5
Acadia Pharmaceuticals	Central nervous system	United States	4,168	1.3
Vir Biotechnology	Infectious Diseases	United States	4,131	1.3
Xenon Pharmaceuticals	Other	Canada	4,033	1.3
Viking Therapeutics	Metabolic	United States	3,870	1.2
Edgewise Therapeutics	Cardiovascular	United States	3,867	1.2
Summit Therapeutics	Oncology	United States	3,838	1.2
Denali Therapeutics	Central nervous system	United States	3,833	1.2
Alnylam Pharmaceuticals	Rare diseases	United States	3,755	1.2
Incyte	Oncology	United States	3,749	1.2
Indivior	Other	United Kingdom	3,650	1.2
BioCryst	Rare diseases	United States	3,574	1.1
Biohaven	Central nervous system	United States	3,213	1.0
Rocket Pharmaceuticals	Rare diseases	United States	3,100	1.0
Altimune	Metabolic	United States	3,044	1.0
Amicus Therapeutics	Rare diseases	United States	2,778	0.9
Viartis	Infectious Diseases	United States	2,674	0.9
Avidity Biosciences	Rare diseases	United States	2,661	0.9
Ionis	Rare diseases	United States	2,653	0.9
Dyne Therapeutics	Rare diseases	United States	2,621	0.8
Vanda Pharmaceuticals	Central nervous system	United States	2,519	0.8
Zai Lab	Oncology	United States	2,516	0.8
Neurocrine Biosciences	Central nervous system	United States	2,464	0.8
Axsome Therapeutics	Central nervous system	United States	2,444	0.8
Avadel	Central nervous system	United States	2,309	0.7
UroGen Pharma	Oncology	United States	2,279	0.7

Investment Portfolio
as at 28 February 2025
continued

Investment	Therapeutic area	Geographic location	As at 28 February 2025	
			£'000	%
AstraZeneca	Oncology	United Kingdom	2,263	0.7
CG oncology	Oncology	United States	2,223	0.7
Crinetics Pharmaceuticals	Other	United States	2,200	0.7
Silence Therapeutics	Cardiovascular	United States	2,150	0.7
Vaxcyte	Rare diseases	United States	2,147	0.7
Ideaya Biosciences	Oncology	United States	2,029	0.7
Zealand Pharma	Metabolic	Europe	1,993	0.6
Alkermes	Central nervous system	United States	1,980	0.6
Immunome	Oncology	United States	1,970	0.6
Novo Nordisk	Metabolic	Europe	1,960	0.6
Scholar Rock	Metabolic	United States	1,864	0.6
Olema Pharmaceuticals	Oncology	United States	1,850	0.6
Janux	Oncology	United States	1,834	0.6
Krystal	Rare diseases	United States	1,795	0.6
Akero Therapeutics	Other	United States	1,765	0.6
Iovance Biotherapeutics	Oncology	United States	1,688	0.5
Autolus	Cell therapy	United States	1,638	0.5
Immunocore	Oncology	United States	1,529	0.5
Immatics	Oncology	United States	1,492	0.5
Apogee Therapeutics	Auto-immune	United States	1,460	0.5
Aurinia Pharmaceuticals	Auto-immune	United States	1,242	0.4
Merus	Oncology	United States	1,231	0.4
Tango Therapeutics	Oncology	United States	1,082	0.3
Kymera	Auto-immune	United States	1,050	0.3
BridgeBio	Rare diseases	United States	962	0.3
Arvinas	Oncology	United States	814	0.3
Celldex Therapeutics	Auto-immune	United States	786	0.3
Blueprint Medicines	Oncology	United States	785	0.3
Rhythm Pharmaceuticals	Metabolic	United States	767	0.2
Syndax	Oncology	United States	716	0.2
Solid Biosciences	Rare diseases	United States	695	0.2
Beam Therapeutics	Rare diseases	United States	491	0.2
Kura Oncology	Oncology	United States	373	0.1
Terns Pharmaceuticals	Metabolic	United States	303	0.1
Skye Bioscience	Metabolic	United States	249	0.1
Intellia Therapeutics	Rare diseases	United States	192	0.1
Corbus Pharmaceuticals	Metabolic	United States	187	0.1
Total equities			287,412	92.4

Unquoted investments

Investments held through a venture fund

Investment	Sector classification	Geographic location	As at 28 February 2025	
			£'000	%
SV Fund VI	Venture Fund	United States	9,478	3.0
SV BCOF	Venture Fund	United Kingdom	9,162	3.0
Total investments held through a venture fund			18,640	6.0

Exited investments with contingent milestones

Exited unquoted companies for which the Company retains rights to receive future contingent performance-based payments are shown below:

Investment	Therapeutic area	Geographic location	As at 28 February 2025	
			£'000	%
Ikano Therapeutics	Auto-immune	United States	4,236	1.4
Convergence	Auto-immune	United States	376	0.1
Total exited investments with contingent milestones			4,612	1.5

Exited investments in liquidation

Investment	Therapeutic area	Geographic location	As at 28 February 2025	
			£'000	%
Topivert	Other	United Kingdom	40	–
Total exited investments in liquidation			40	–

Directly-held unquoted investments

Directly-held unquoted investments held by the Company are shown below:

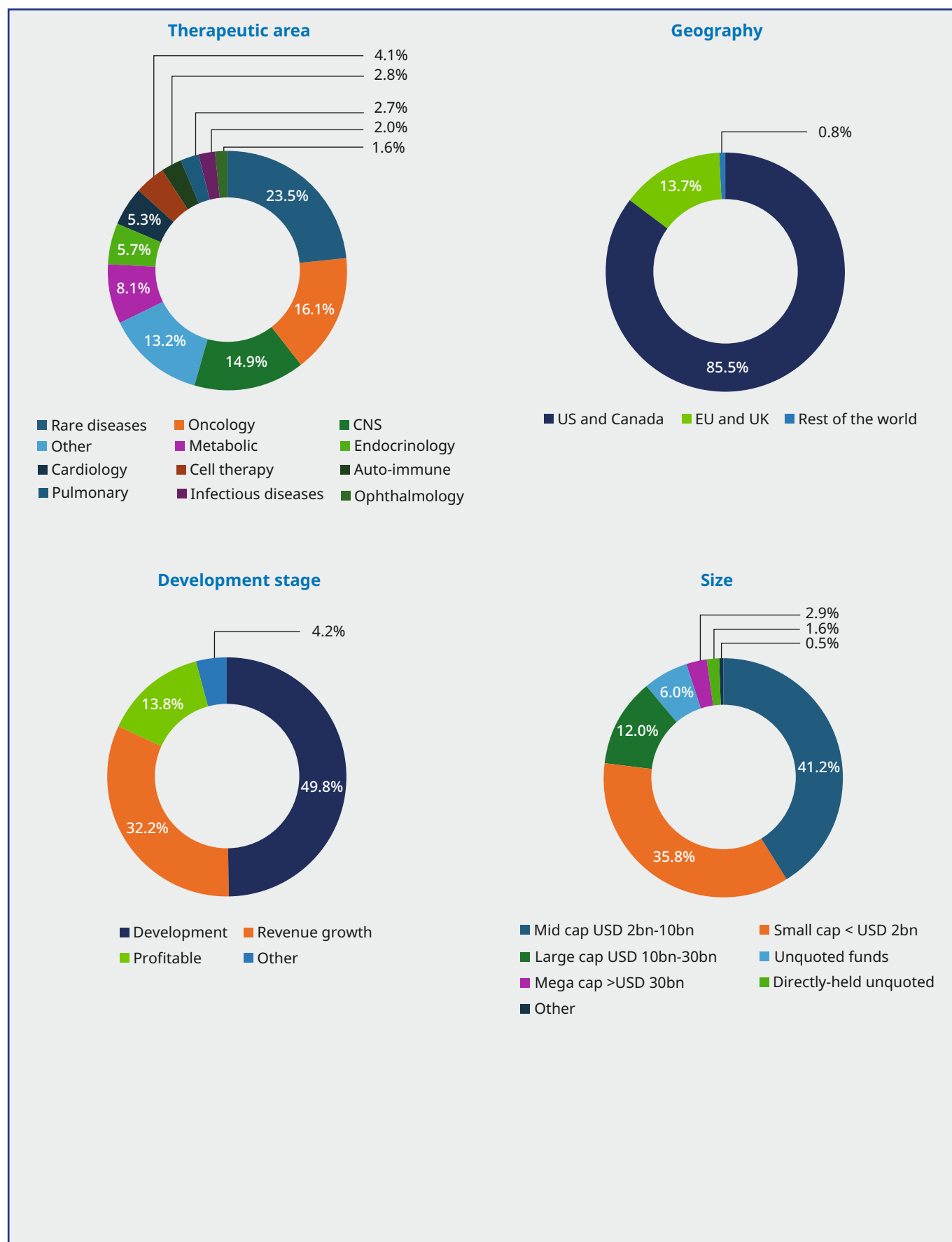
Investment	Therapeutic area	Geographic location	As at 28 February 2025	
			£'000	%
Autifony Therapeutics	Other	United Kingdom	341	0.1
Total directly-held unquoted investments			341	0.1

Investments in unquoted companies that have previously been written down to nil net book value, but where ownership in the company is retained, are not disclosed in this table.

Summary of investments

Investment	As at 28 February 2025	
	£'000	%
Equities	287,412	92.4
Investments held through a venture fund	18,640	6.0
Exited investments with contingent milestones	4,612	1.5
Exited investments in liquidation	40	–
Directly-held unquoted investments	341	0.1
Total investments	311,045	100.0

Portfolio composition



Principal risks and uncertainties

The principal risks associated with the Company's business fall into the following risk categories: strategic; performance/investment; operational/service provider and emerging. A detailed explanation of the risks in each of these categories can be found on pages 32 to 34 and in note 19 on pages 77 to 85 of the Company's published Annual Report and Financial Statements for the year ended 31 August 2024.

In the view of the Board, the Company's principal risks and uncertainties have not changed during the six months ended 28 February 2025. However, the severity of some of the risks has increased. The Board undertook a review of the principal and emerging risks for the Company while reviewing these financial statements and noted that, following the election of President Trump, geopolitical and economic risks have heightened for a number of reasons, most notably the global trade wars unfolding due to the evolving tariff regime of the Trump administration and the ongoing conflict in Ukraine, where initial hopes that a resolution to the conflict may be brokered by the incoming US administration seemed to diminish. These matters will be closely monitored and reported on in the next Annual Report, as appropriate.

Going concern

Having assessed the principal and emerging risks and uncertainties, and the other matters discussed in connection with the viability statement as set out on page 35 of the published Annual Report and Financial Statements for the year ended 31 August 2024, the Directors consider it appropriate to adopt the going concern basis in preparing the financial statements.

Related party transactions

There have been no transactions with related parties that have materially affected the financial position or the performance of the Company during the six months ended 28 February 2025.

Directors' responsibility statement

The Directors confirm that, to the best of their knowledge:

- the condensed set of financial statements contained within the Half Year Report has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting; and
- the Interim Management Report, together with the Chair's Statement and Portfolio Managers' Review includes a fair review of the information required by Disclosure Guidance and Transparency Rules 4.2.7R and 4.2.8R.

The Half Year Report has not been reviewed or audited by the Company's auditors.

The Half Year Report for the six months ended 28 February 2025 was approved by the Board on 12 May 2025 and the above responsibility statement was signed on its behalf by the Chair.

Kate Cornish-Bowden

Chair

12 May 2025

Financial

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Statement of Comprehensive Income

for the six months ended 28 February 2025 (unaudited)

	Note	(Unaudited) For the six months ended 28 February 2025			(Unaudited) For the six months ended 29 February 2024			(Audited) For the year ended 31 August 2024		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss		–	12,404	12,404	–	31,764	31,764	–	41,620	41,620
Net foreign currency gains/(losses)		–	(1,457)	(1,457)	–	629	629	–	1,656	1,656
Income	4	291	–	291	650	–	650	1,263	–	1,263
Total income		291	10,947	11,238	650	32,393	33,043	1,263	43,276	44,539
Expenses										
Management fee	10	(885)	–	(885)	(799)	–	(799)	(1,297)	–	(1,297)
Performance fee	10	–	(1,885)	(1,885)	–	(1,859)	(1,859)	–	(904)	(904)
Administrative expenses		(499)	–	(499)	(721)	–	(721)	(1,129)	–	(1,129)
Profit/(loss) before finance costs and taxation		(1,093)	9,062	7,969	(870)	30,534	29,664	(1,163)	42,372	41,209
Finance costs		(917)	–	(917)	(1,260)	–	(1,260)	(2,198)	–	(2,198)
Profit/(loss) before taxation		(2,010)	9,062	7,052	(2,130)	30,534	28,404	(3,361)	42,372	39,011
Taxation		(18)	–	(18)	(71)	–	(71)	(135)	–	(135)
Net profit/(loss) for the period/year		(2,028)	9,062	7,034	(2,201)	30,534	28,333	(3,496)	42,372	38,876
Earnings/(loss) per share (pence)	5	(5.60)	25.00	19.40	(5.66)	78.53	72.87	(9.16)	110.97	101.81

The “Total” column of this statement represents the Company's Statement of Comprehensive Income prepared in accordance with UK-adopted International Accounting Standards.

The Company does not have any other comprehensive income and hence the net profit/(loss) for the period/year, as disclosed above, is the same as the Company's total comprehensive income.

The “Revenue” and “Capital” columns represent supplementary information prepared under guidance set out in the Statement of Recommended Practice for investment trust companies (the “SORP”) issued by The Association of Investment Companies in July 2022.

All revenue and capital items in the above statement derive from continuing operations.

The notes on pages 22 to 25 form part of these financial statements.

Statement of Changes in Equity

for the six months ended 28 February 2025 (unaudited)

	Note	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 August 2024		10,346	29,873	31,482	264,591	(54,027)	282,265
Net profit/(loss) for the period		–	–	–	9,062	(2,028)	7,034
Dividend paid in the period	7	–	–	–	(5,626)	–	(5,626)
Repurchase of ordinary shares into treasury		–	–	–	(9,089)	–	(9,089)
At 28 February 2025		10,346	29,873	31,482	258,938	(56,055)	274,584

for the six months ended 29 February 2024 (unaudited)

	Note	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 August 2023		10,346	29,873	31,482	249,147	(50,531)	270,317
Net profit/(loss) for the period		–	–	–	30,534	(2,201)	28,333
Dividend paid in the period	7	–	–	–	(5,391)	–	(5,391)
Repurchase of ordinary shares into treasury		–	–	–	(6,750)	–	(6,750)
At 29 February 2024		10,346	29,873	31,482	267,540	(52,732)	286,509

for the year ended 31 August 2024 (audited)

	Note	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 August 2023		10,346	29,873	31,482	249,147	(50,531)	270,317
Net profit/(loss) for the year		–	–	–	42,372	(3,496)	38,876
Dividends paid in the year	7	–	–	–	(10,768)	–	(10,768)
Repurchase of ordinary shares into treasury		–	–	–	(16,160)	–	(16,160)
At 31 August 2024		10,346	29,873	31,482	264,591	(54,027)	282,265

The notes on pages 22 to 25 form part of these financial statements.

Statement of Financial Position

as at 28 February 2025 (unaudited)

	Note	(Unaudited) At 28 February 2025 £'000	(Unaudited) At 29 February 2024 £'000	(Audited) At 31 August 2024 £'000
Non-current assets				
Investments held at fair value through profit or loss	6	311,045	305,068	297,507
		311,045	305,068	297,507
Current assets				
Receivables		906	6,474	215
Cash and cash equivalents		4,247	9,227	10,433
		5,153	15,701	10,648
Total assets		316,198	320,769	308,155
Current liabilities				
Loan		(35,738)	(27,669)	(22,827)
Payables		(5,876)	(6,591)	(3,063)
		(41,614)	(34,260)	(25,890)
Net assets		274,584	286,509	282,265
Equity attributable to shareholders				
Share capital		10,346	10,346	10,346
Share premium		29,873	29,873	29,873
Capital redemption reserve		31,482	31,482	31,482
Capital reserves		258,938	267,540	264,591
Revenue reserve		(56,055)	(52,732)	(54,027)
Total equity attributable to shareholders		274,584	286,509	282,265
Net asset value per share (pence)	9	772.52	748.90	766.30

The notes on pages 22 to 25 form part of these financial statements.

International Biotechnology Trust plc

Registered in England and Wales as a public company limited by shares.

Company registration number: 02892872

Cash Flow Statement

for the six months ended 28 February 2025 (unaudited)

	Note	(Unaudited) For the six months ended 28 February 2025 £'000	(Unaudited) For the six months ended 29 February 2024 £'000	(Audited) For the year ended 31 August 2024 £'000
Operating activities				
Profit before finance costs and taxation		7,969	29,664	41,209
Adjustments for:				
Net foreign currency losses/(gains)		1,457	(629)	(1,656)
Gains on investments at fair value through profit or loss		(12,404)	(31,764)	(41,620)
Net (purchases)/sales of investments at fair value through profit or loss		(254)	29,172	50,463
Dividend income		(198)	(577)	(1,045)
Interest income		(93)	(73)	(218)
Decrease/(increase) in receivables		20	(41)	14
Increase/(decrease) in payables		1,189	468	(746)
Overseas taxation paid		(18)	(71)	(134)
Net cash (outflow)/inflow from operating activities before dividends and interest		(2,332)	26,149	46,267
Dividends received		172	527	1,098
Interest received		115	44	185
Interest paid		(880)	(1,176)	(2,198)
Net cash (outflow)/inflow from operating activities		(2,925)	25,544	45,352
Financing activities				
Bank loan drawdown		23,558	38,143	46,186
Bank loan repaid		(12,236)	(9,836)	(21,456)
Repurchase of ordinary shares into treasury		(9,089)	(6,750)	(16,160)
Dividends paid	7	(5,626)	(5,391)	(10,768)
Net cash (outflow)/inflow from financing activities		(3,393)	16,166	(2,198)
Increase in cash and cash equivalents		(6,318)	41,710	43,154
Cash and cash equivalents at the start of the period/year		10,433	(32,474)	(32,474)
Effect of foreign exchange rates on cash and cash equivalents		132	(9)	(247)
Cash and cash equivalents at the end of the period/year		4,247	9,227	10,433

The notes on pages 22 to 25 form part of these financial statements.

1. Financial Statements

The information contained within the financial statements in this Half Year Report has not been audited or reviewed by the Company's independent auditors.

The figures and financial information for the year ended 31 August 2024 are extracted from the latest published financial statements of the Company and do not constitute statutory financial statements for that year. Those financial statements have been delivered to the Registrar of Companies, and included the report of the auditors which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

2. Accounting policies

(a) Basis of accounting

The financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and the accounting policies set out in the statutory financial statements of the Company for the year ended 31 August 2024. Where presentational guidance set out in the Statement of Recommended Practice (the "SORP") for investment trusts issued by The Association of Investment Companies in July 2022, is consistent with the requirements of International Financial Reporting Standards, the financial statements have been prepared on a basis compliant with the recommendations of the SORP.

All of the Company's operations are of a continuing nature.

The accounting policies applied to these financial statements are consistent with those applied in the financial statements for the year ended 31 August 2024.

(b) Presentation of the Cash Flow Statement

The presentation of the Cash Flow Statement, as permitted under IFRS, has been changed to present the 'Net cash flows from operating activities' in a manner that is consistent with that of the other investment trusts managed by the AIFM. As a result, certain comparative information was reclassified to conform with the current period's presentation. There is no change to the 'Net cash inflow from operating activities' or the other sections of the Cash Flow Statement as presented in the previous half year report.

In addition, prior period borrowings, which included the overdraft facility with the previous custodian, were contained within cash and cash equivalents. The repayment of this facility has not been included within financing activities but instead reflected as part of the overall movement in cash and cash equivalents.

3. Taxation

The tax charge comprises irrecoverable overseas withholding tax.

4. Income

	(Unaudited) For the six months ended 28 February 2025 £'000	(Unaudited) For the six months ended 29 February 2024 £'000	(Audited) For the year ended 31 August 2024 £'000
Income from investments held at fair value through profit or loss:			
Overseas dividends	115	473	899
UK dividends	83	104	146
	198	577	1,045
Other income:			
Deposit interest	93	73	218
	291	650	1,263

5. Earnings/(loss) per share

	(Unaudited) For the six months ended 28 February 2025 £'000	(Unaudited) For the six months ended 29 February 2024 £'000	(Audited) For the year ended 31 August 2024 £'000
Net revenue loss	(2,028)	(2,201)	(3,496)
Net capital profit	9,062	30,534	42,372
Total profit	7,034	28,333	38,876
Weighted average number of shares in issue*	36,243,354	38,879,847	38,184,030
Revenue loss per share (pence)	(5.60)	(5.66)	(9.16)
Capital profit per share (pence)	25.00	78.53	110.97
Total earnings per share (pence)	19.40	72.87	101.81

* Excluding those held in treasury (28 February 2025: 5,839,878; 29 February 2024: 3,126,410; 31 August 2024: 4,548,907).

6. Investments held at fair value through profit or loss

The Company's portfolio of investments, comprising investments in companies and any derivatives, are carried in the Statement of Financial Position at fair value. Other financial instruments held by the Company may comprise amounts due to or from brokers, dividends and interest receivable, accruals, cash and drawings on the secured revolving credit facility. For these instruments, the Statement of Financial Position amount is a reasonable approximation of fair value. The recognition and measurement policies for financial instruments measured at fair value have not changed from those set out in the statutory financial statements of the Company for the year ended 31 August 2024.

The investments in the Company's portfolio are categorised into a hierarchy comprising the following three levels:

Level 1 – valued using quoted prices in active markets.

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted market prices included within Level 1.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset.

At 28 February 2025, the Company's investment portfolio was categorised as follows:

	(Unaudited) At 28 February 2025 £'000	(Unaudited) At 29 February 2024 £'000	(Audited) At 31 August 2024 £'000
Level 1	287,412	280,846	270,883
Level 2	–	–	–
Level 3	23,633	24,222	26,624
Total	311,045	305,068	297,507

There have been no transfers between Levels 1, 2 or 3 during the period (period ended 29 February 2024 and year ended 31 August 2024: nil).

7. Dividends paid

	(Unaudited) For the six months ended 28 February 2025 £'000	(Unaudited) For the six months ended 29 February 2024 £'000	(Audited) For the year ended 31 August 2024 £'000
First interim dividend of 15.56p (2024: 13.90p)	5,626	5,391	5,391
Second interim dividend of 14.50p	–	–	5,377
Total dividends paid in the period/year	5,626	5,391	10,768

Notes to the Financial Statements

continued

8. Share capital

Changes in the number of shares in issue during the period/year were as follows:

	(Unaudited) For the six months ended 28 February 2025 £'000	(Unaudited) For the six months ended 29 February 2024 £'000	(Audited) For the year ended 31 August 2024 £'000
Ordinary shares of 25p each, allotted, called-up and fully paid:			
Opening balance of shares in issue, excluding shares held in treasury	36,834,910	39,318,183	39,318,183
Repurchase of shares into treasury	(1,290,971)	(1,060,776)	(2,483,273)
Closing balance of shares in issue, excluding shares held in treasury	35,543,939	38,257,407	36,834,910
Shares held in treasury	5,839,878	3,126,410	4,548,907
Closing balance of shares in issue	41,383,817	41,383,817	41,383,817

9. Net asset value per share

	(Unaudited) At 28 February 2025 £'000	(Unaudited) At 29 February 2024 £'000	(Audited) At 31 August 2024 £'000
Net assets attributable to shareholders (£'000)	274,584	286,509	282,265
Ordinary shares in issue at end of period/year*	35,543,939	38,257,407	36,834,910
Net asset value per share (pence)	772.52	748.90	766.30

*Excludes those held in treasury (28 February 2025: 5,839,878; 29 February 2024: 3,126,410; 31 August 2024: 4,548,907).

10. Related party transactions

There have been no related party transactions that have materially affected the financial position or the performance of the Company during the six month period to 28 February 2025.

a) Transactions with the AIFM/Investment Manager

With effect from 20 November 2023, Schroder Unit Trusts Limited ("SUTL") was appointed as the Company's Alternative Investment Fund Manager ("AIFM"). SUTL agreed to waive the management fee for the first six months from 20 November 2023, after which the management fee payable by the Company on its quoted portfolio was 0.7% per annum.

	(Unaudited) At 28 February 2025 £'000	(Unaudited) At 29 February 2024 £'000	(Audited) At 31 August 2024 £'000
Fees paid to the investment manager/adviser			
Management fee paid by the Company directly to SUTL	885	–**	498**
Management fee paid through unquoted funds to SV Health	–	154	154
Adviser fee paid through unquoted funds to SV Health	336	200	537
Management fee paid by the Company directly to SV Health	–	799*	799*
Accounting and administration fee payable by the Company directly to SUTL	50	28	78
Total	1,271	1,181	2,066

* Includes a termination fee of £289,439 paid to SV Health.

** Reflects SUTL agreed waiver of six months management fees from 20 November 2023 to 20 May 2024 under the terms of the new AIFM agreement.

A performance fee of £1,885,000 accrued for the six month period ended 28 February 2025 (29 February 2024: £1,859,000; 31 August 2024: £904,000). Of the £1,885,000 accrued, £71,000 was outstanding to SV Health and £1,814,000 was outstanding to SUTL.

Under the terms of the AIFM agreement, SUTL is entitled to receive an annual fee of £100,000 in respect of the accounting and administration services it provides to the Company. As at period end 28 February 2025, £17,000 (29 February 2024: £28,000; 31 August 2024: £17,000) was outstanding to SUTL.

SV Health will continue to provide ongoing investment management assistance to the Company in respect of the exited investments with contingent milestones, the exited investments in liquidation and the directly held unquoted investments in consideration for payment of a performance fee.

b) Directors' remuneration

The Directors of the Company are key management personnel. The total remuneration payable to Directors in respect of the six months ended 28 February 2025 was £92,000 (29 February 2024: £132,000*; 31 August 2024: £218,000), of which £31,000 (29 February 2024: £132,000*; 31 August 2024: £27,000), was outstanding at the period end.

* This includes a one off fee of £47,000 for the additional work in relation to the change of AIFM.

11. Events after the reporting period

The Directors have evaluated the period since the half year date and have not noted any significant events requiring disclosure after the end of the reporting period to the date of this Half Year Report.

Other Information

Other Information

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Alternative Performance Measures (“APMs”) and Definition of Financial Terms

The terms and performance measures below are those commonly used by investment companies to assess values, investment performance and operating costs. Numerical calculations are given where relevant. Some of the financial measures below are classified as APMs as defined by the European Securities and Markets Authority. Under this definition, APMs include a financial measure of historical financial performance or financial position, other than a financial measure defined or specified in the applicable financial reporting framework.

APMs have been marked with an asterisk (*).

Net asset value (“NAV”) per share*

The NAV per share of 772.52p (31 August 2024: 766.30p) represents the net assets attributable to equity shareholders of £274,584,000 (31 August 2024: £282,265,000) divided by the number of shares in issue of 35,543,939 (31 August 2024: 36,834,910) excluding shares held in treasury. The change in the NAV per share amounted to 0.8% (year ended 31 August 2024: 11.5%) over the period. However this performance measure excludes the positive impact of dividends paid out by the Company during the the period. When these dividends are factored into the calculation, the resulting performance measure is termed the “total return”.

Total return*

The combined effect of any dividends paid, together with the rise or fall in the share price or NAV per share. Total return statistics enable the investor to make performance comparisons between investment companies with different dividend policies. Any dividends received by a shareholder are assumed to have been reinvested in either the assets of the Company at its NAV per share at the time the shares were quoted ex-dividend (to calculate the NAV per share total return) or in additional shares of the Company (to calculate the share price total return).

The NAV total return for the period ended 28 February 2025 is calculated as follows:

Opening NAV at 31/08/24	766.30p
Closing NAV at 28/02/25	772.52p

Dividend	XD date	NAV on XD date	Factor	Cumulative factor
15.56p	19/12/24	754.88p	1.0206	1.0206

NAV total return, being the closing NAV, multiplied by the factor, expressed as a percentage increase in the opening NAV: 2.9%

The NAV total return for the year ended 31 August 2024 is calculated as follows:

Opening NAV at 31/08/23	687.51p
Closing NAV at 31/08/24	766.30p

Dividend	XD date	NAV on XD date	Factor	Cumulative factor
13.90p	21/12/23	670.18p	1.0207	1.0207
14.50p	25/07/24	787.02p	1.0184	1.0395

NAV total return, being the closing NAV, multiplied by the cumulative factor, expressed as a percentage increase in the opening NAV: 15.9%

The share price total return for the period ended 28 February 2025 is calculated as follows:

Share price at 31/08/24	680.00p
Share price at 28/02/25	686.00p

Dividend	XD date	Share price on XD date	Factor	Cumulative factor
15.56p	19/12/24	674.00p	1.0231	1.0231

Share price total return, being the closing share price, multiplied by the cumulative factor, expressed as a percentage change in the opening share price: 3.2%

The share price total return for the year ended 31 August 2024 is calculated as follows:

Share price at 31/08/23	644.00p
Share price at 31/08/24	680.00p

Dividend	XD date	Share price on XD date	Factor	Cumulative factor
13.90p	21/12/23	604.00p	1.0230	1.0230
14.50p	25/07/24	700.00p	1.0207	1.0442

Share price total return, being the closing share price, multiplied by the cumulative factor, expressed as a percentage increase in the opening share price: 10.3%

Reference Index

The measure against which the Company compares its performance. The Reference Index is the NASDAQ Biotechnology Index (with dividends reinvested) sterling adjusted.

Discount/premium*

The amount by which the share price of an investment trust is lower (discount) or higher (premium) than the NAV per share. If shares are trading at a discount, investors would be paying less than the value attributable to the shares by reference to the underlying assets.

A premium or discount is generally the consequence of supply and demand for the shares on the stock market. The discount or premium is expressed as a percentage of the NAV per share. The discount at the period end amounted to 11.2% (31 August 2024: 11.3%), as the closing share price at 686.00p (31 August 2024: 680.00p) was lower than the closing NAV per share of 772.52p (31 August 2024: 766.30p).

Gearing*

The gearing percentage reflects the amount of borrowings (i.e. bank loans or overdrafts) which the Company has drawn down and invested in the market. This figure is indicative of the extra amount by which shareholders’ funds would move if the Company’s investments were to rise or fall. Gearing is defined as: borrowings used for investment purposes, less cash, expressed as a percentage of net assets. The gearing figure at the relevant period/year end is calculated as follows:

	At 28 February 2025 £’000	At 31 August 2024 £’000
Borrowings used for investment purposes, less cash	31,491	12,394
Net assets	274,584	282,265
Gearing	11.5%	4.4%

Leverage*

For the purpose of the Alternative Investment Fund Managers Directive, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as the ratio of the Company's exposure to its net asset value and is required to be calculated both on a "Gross" and a "Commitment" method. Under the Gross method, exposure represents the sum of the absolute values of all positions, so as to give an indication of overall exposure. Under the Commitment method, exposure is calculated in a similar way, but after netting off hedges which satisfy certain strict criteria.

Yield*

Yield is calculated as the sum of the last two dividends declared, expressed as a percentage of the period/year end share price. The last two dividends declared amounted to 30.06p (31 August 2024: 28.4p) per share.

Ongoing charges*

Ongoing charges is calculated in accordance with The Association of Investment Companies recommended methodology and represents the total annualised operating expenses payable including any management fee excluding finance costs, transaction costs and performance fees, amounting to £3,296,000 (31 August 2024: £3,117,000), expressed as a percentage of the average daily net asset values during the period of £277,529,000 (31 August 2024: £268,100,000).

	For the six months ended 28 February 2025** £'000	For the year ended 31 August 2024 £'000
Management fees paid by the Company	1,769	1,297
Management/adviser fee paid through unquoted funds to SV Health	672	691
Administrative expenses	855	1,129
Total ongoing expenses	3,296	3,117
Average daily NAV	280,815	268,128
Ongoing charges (%)	1.2	1.2

* Alternative performance measure.

** Annualised figures for ongoing charges purposes.

Warning to shareholders

Companies are aware that their shareholders have received unsolicited telephone calls or correspondence concerning investment matters. These are typically from overseas-based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares or investments.

These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive.

Shareholders are advised to be wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation
- Check that they are properly authorised by the Financial Conduct Authority ("FCA") before getting involved by visiting register.fca.org.uk
- Report the matter to the FCA by calling 0800 111 6768 or visiting fca.org.uk/consumers/report-scam-unauthorised-firm
- Do not deal with any firm that you are unsure about

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme. The FCA provides a list of unauthorised firms of which it is aware, which can be accessed at fca.org.uk/consumers/unauthorised-firms-individuals#list.

More detailed information on this or similar activity can be found on the FCA website at fca.org.uk/consumers/protect-yourself-scams.

Dividends

Paying dividends into a bank or building society account helps reduce the risk of fraud and will provide you with quicker access to your funds than payment by cheque.

Applications for an electronic mandate can be made by contacting the Registrar, Equiniti.

This is the most secure and efficient method of payment and ensures that you receive any dividends promptly.

If you do not have a UK bank or building society account, please contact Equiniti for details of their overseas payment service.

Further information can be found at www.shareview.co.uk, including how to register with Shareview Portfolio and manage your shareholding online.

www.ibtplc.com

Directors

Kate Cornish-Bowden (Chair)
Gillian Elcock
Alexa Henderson
Patrick Magee
Professor Patrick Maxwell

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Investment Manager and Company Secretary

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Website: www.shareview.co.uk

¹Calls to this number are free of charge from UK landlines.

Communications with shareholders are mailed to the address held on the register. Any notifications and enquiries relating to shareholdings, including a change of address or other amendment should be directed to Equiniti Limited at the above address and telephone number above.

Other information

Company number

02892872

Shareholder enquiries

General enquiries about the Company should be addressed to the Company Secretary at the Company's registered office.

Dealing codes

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Privacy notice

The Company's privacy notice can be found on its web pages.

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