

## Identifying and developing next-generation therapies that aim to significantly improve the lives of patients

RTW Biotech Opportunities Ltd (the “Company” or LSE: RTW & RTWG) is an investment fund focused on identifying transformative assets with growth potential across the life sciences sector. Our approach is driven by applying deep scientific expertise with a long-term investment horizon across the full (private and public) life cycle. The Company’s portfolio is managed by RTW Investments, LP, a leading healthcare-focused investment firm dedicated to solving the most challenging unmet patient needs with a track record of supporting companies developing life-changing therapies.

### KEY CURRENT STATISTICS

**US \$356.5M**

Ordinary NAV

**US \$1.68**

NAV per ordinary share

**US \$1.25**

Share price

**-2.4%**

NAV return for the month

**US \$265.5M**

Market cap

**212,389,138**

Shares outstanding

**37**

Number of core positions

**-25.8%**

Discount/Premium

### HISTORICAL ANNUAL PERFORMANCE

	NAV	Share Price	R2ICBBIO**	NBI**
2023	9.3%	2.9%	5.3%	-3.2%
2022	-10.2%	-32.0%	-31.3%	-10.9%
2021	-12.8%	-5.3%	-26.9%	-0.6%
2020	53.9%	37.2%	52.8%	25.7%
2019	22.4%	31.7%	23.4%	12.1%

\* The Company’s admission to the London Stock Exchange

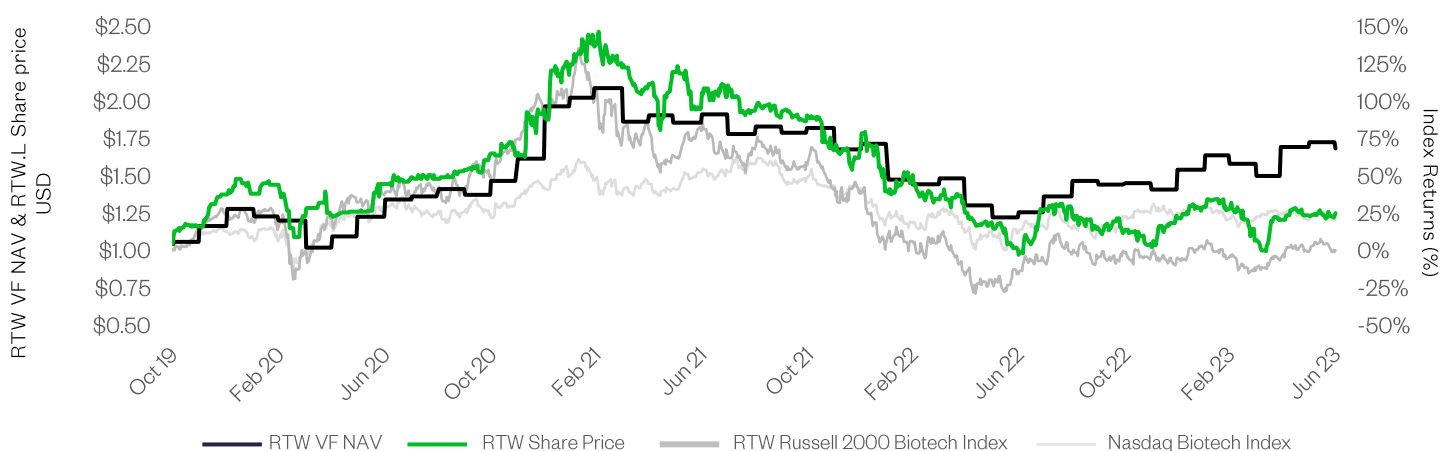
\*\* R2ICBBIO = Russell 2000 Biotech Index; NBI = Nasdaq Biotechnology Index








### PERFORMANCE CHARACTERISTICS

	1Y	3YRS	*Since 30.10.19
RTW NAV per ordinary share	34.2%	25.6%	61.4%
RTW share price	28.9%	-13.5%	19.7%
Russell 2000 Biotech Index	18.8%	-28.1%	-0.3%
Nasdaq Biotech Index (NBI)	8.8%	-5.1%	20.7%
NAV volatility	21.0%	24.8%	26.0%
NAV beta***	0.7x	0.7x	0.7x

\*\*\*Benchmark used is the Russell 2000 Biotech Index

### PERFORMANCE — NAV PER ORDINARY SHARE, SHARE PRICE, R2ICBBIO & NBI



Top 10 Core* Positions	Description	% NAV	Public/Private	Clinical Stage <sup>1</sup>	Proximate Catalysts <sup>1</sup>
	Gene therapy platform company for rare paediatric diseases. Five clinical programmes for Fanconi anaemia, Danon, LAD, PKD and IMO	12.5%	Public: "RCKT"	Phase 2	FDA feedback on pivotal trial in Q3 2023
IMMUNOCORE	T-cell receptor therapy company focused on oncology and infectious diseases	7.3%	Public: "IMCR"	Commercial	Launch updates in Q3 2023
	NewCo focused on acquiring rights from innovative therapies for development and commercialisation in China	7.3%	Private	Phase 3	Series D in Q4 2023
RTW Royalty 2	RTW-Urogen royalty deal based on revenues of both Jelmyto and UGN-102	4.0%	Private	Commercial	Regular sales update in Q3
	Late stage clinical company developing interventions for PSVT	2.5%	Public: "MIST"	Phase 3	FDA Filing in Q3 2023
	Medical device company focused on developing products for the treatment of coronary artery disease and hypertension	1.8% <sup>2</sup>	Public: "OBIO"	Pivotal	-
	Antibody conjugated RNA medicines company. Lead program for myotonic dystrophy, a degenerative disease with no therapy	1.8%	Public: "RNA"	Phase 1	Duchenne P1 data updates in Q4 2023
beta bionics <small>A Massachusetts Public Benefit Corporation</small>	Closed-loop pancreatic system for automated and autonomous delivery of insulin	1.3%	Private	Pivotal	-
	Biotech using a structure-based design to develop innovative small molecules against promising molecular targets in oncology	1.2%	Private	Phase 1	Data updates in Q1 2024
	Medical device company dedicated to developing products which target dysfunction of the left ventricle, the underlying cause of heart failure.	1.1%	Private	Pivotal	

<sup>2</sup> Includes shares held in the initial SPAC vehicle that merged with Orchestra in January 2023

<sup>1</sup>Updated quarterly

Sub-portfolio Exposures	
Core Private*	23.6%
Core Public*	27.5%
Other Public	30.9%
Cash & Other	17.9%

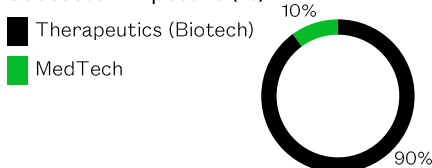
Sub-portfolio Attribution	MTD	YTD
Core Private*	-0.1%	-0.6%
Core Public*	-2.0%	12.6%
Other Public	-0.5%	-1.2%

Top 3 Core* Contributors	YTD
Prometheus Biosciences <sup>3</sup>	12.6%
CinCor Pharma	0.9%
RTW Royalty #2	0.5%

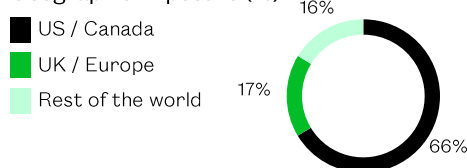
<sup>3</sup>Exited the core portfolio during the month

Top 3 Core* Detractors	YTD
Avidity Biosciences	-2.4%
Neurogastrx, Inc.	-0.5%
Alcyone Therapeutics	-0.4%

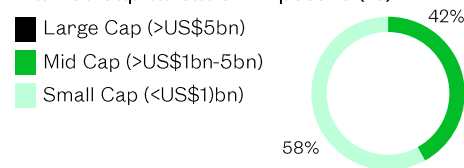
#### Subsector Exposure (%)



#### Geographic Exposure (%)



#### Market Capitalisation Exposure (%)



#### Exposure by Modality (%)

Small Molecule	32%
Genetic Medicine**	29%
Antibody	17%
Medtech	10%
Spec Pharma	6%
Cell Rx	5%
TPD***	1%

#### Exposure by Disease area (%)

Oncology	30%
Rare Disease	28%
Cardiovascular	26%
Inflammation	6%
Ophthalmology	3%
Neurology	3%
T1 Diabetes	3%
Pulmonary	1%
Ortho	0.3%
Gastro	0.1%

#### Exposure by Development stage (%)

Preclinical	5%
Phase 1	10%
Phase 2	31%
Phase 3	29%
Commercial	25%

\* The core portfolio consists of securities initiated as privates as well as those the Company in its sole discretion deems to be in the core portfolio. As a full life cycle investor, the Company retains these beyond IPO. The "Other Public" exposure is deployed into a portfolio of liquid public equities that mirror holdings in the manager's private funds (in lieu of cash) for future deployment.

\*\*Includes gene and RNA-based therapies. \*\*\*TPD = targeted protein degradation. Unless otherwise noted, exposures are calculated on the NAV of the core portfolio only, translated to a presentation out of 100%, as of the date of this factsheet. Prior to March 2023, exposures in the factsheet were shown using number of holdings as opposed to percentage of NAV.

### COMPANY UPDATE

The Company hosted its fourth AGM on 21<sup>st</sup> June. All resolutions were passed including a change of name from “RTW Venture Fund Ltd.” to “RTW Biotech Opportunities Ltd”. The new name better places the Company among its listed healthcare and biotech investment company peers and more accurately reflects its full life cycle approach to investing as a partner that can invest in both the private and public domains and across the capital structure. Shareholdings will be unaffected by the change.

After quarter end, [the Company published a capital allocation plan](#), including a share buyback, in light of the significant proceeds received from the sale of Prometheus Biosciences to Merck, which was completed on 16<sup>th</sup> June. The Board believes that distributing a portion of the Prometheus proceeds will help to further demonstrate the life cycle of RTW Biotech Opportunities' invested capital and that the discount to NAV per Ordinary Share at which the Company's shares currently trade undervalues the Company and its portfolio. A program has been initiated to return capital to shareholders through an NAV-accretive share buyback of up to approximately \$10 million. The Board believes that the announced capital allocation plan demonstrates 1) its confidence in the outlook for the biotech sector and the Company's portfolio; 2) capital allocation discipline; and 3) the proven value of the Company's model.

At the start of the quarter, the Company announced that it had appointed Numis as Joint Corporate Broker alongside BofA Securities, who remain Joint Corporate Broker. Soon after, the Company started working with Cadarn Capital to provide distribution and investor relations services.

### SECTOR UPDATE

Pharma went shopping in the first half. Total deal value of \$93bn puts M&A activity on track to be the highest since 2019. 2019's \$328bn total was driven by two large deals, Bristol's \$74bn for Celgene and AbbVie's \$63bn for Allergan, both focused on diversification and cost savings. In contrast, recent deals have been about innovative assets that can deliver growth. Deal highlights include Pfizer's \$43bn for Seagen, Merck's \$11bn for Prometheus, Novartis' \$3.2bn for Chinook, and Lilly's \$2.4bn for Dice. Premiums ranged from 30% for Seagen up to 75% for Prometheus, and proxies tell the story of competitive processes. Of the three companies we have highlighted as most in need (Bristol, Pfizer, and Merck), only Pfizer has addressed three quarters of its exclusivity losses this decade. As you might expect, we think deals will continue despite Federal Trade Commission (FTC) Chair Lina Khan's push to expand the definition of anti-competitiveness beyond portfolio overlap.

Despite the strong pickup in M&A, the biotech recovery in the first half has been anaemic. The Russell 2000 Biotech Index is the only sector benchmark in meaningfully positive territory +5.32% YTD. We suspect negative sector headlines like the FTC and the SVB bankruptcy impacted sentiment while the AI-driven growth narrative in large cap tech sucked the rest of the air out of the room for other growth sectors.

### PORTFOLIO UPDATE

The largest contributor for the Company in the second quarter was Prometheus Biosciences, which announced on 16<sup>th</sup> April that it agreed to be acquired by Merck for \$200.00 per share in cash, a 75% premium to the prior closing price. On 31<sup>st</sup> March 2023, just prior to the Merck acquisition announcement, the Company's holding in Prometheus represented 14.8% of NAV. The acquisition was completed on 16<sup>th</sup> June. Proceeds from the sale of Prometheus shares subsequent to the announcement amounted to \$92.4m. Including sales prior to the announcement, total proceeds amounted to \$99.1m total invested capital of \$8.4m, representing an 11.8x multiple.

Rocket and Immunocore, the second and third largest contributors in the quarter, were driven more by market movements than idiosyncratic events. That said, Rocket did get the green light from the FDA to begin Phase 1 trials for their arrhythmogenic cardiomyopathy program. They are awaiting feedback from FDA on their clinical trial design for their Danon program. Immunocore's Kimmtrak launch continues to beat consensus expectations.

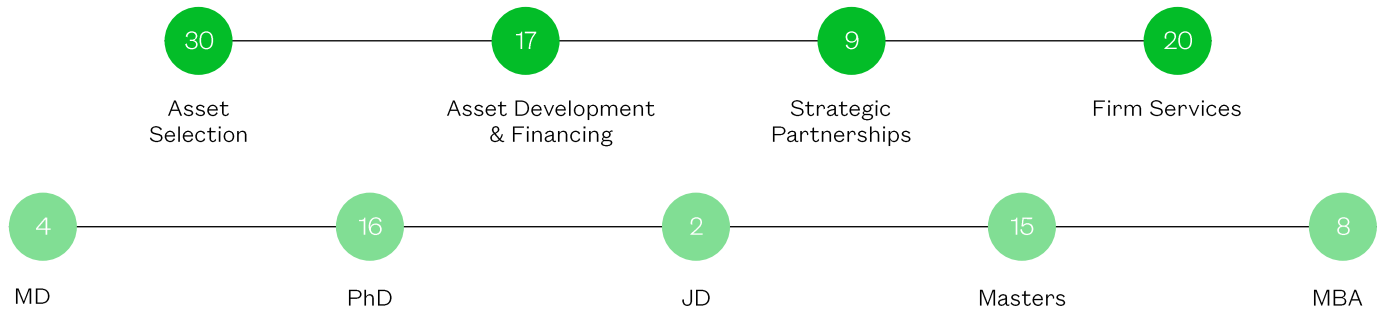
On the other side of the ledger, Orchestra BioMed and Avidity were the only significant detractors. After a strong market introduction, Orchestra traded below its SPAC offer price after lockup expiry. With the majority of its market cap in cash, an EV of less than \$100m, and backed by partner Medtronic, we are excited for the future of the company. Avidity suffered a disappointing clinical event as higher doses in their lead muscular dystrophy program didn't appear to further impact expression of the key biomarker and improvements in other endpoints were too modest and/or noisy. On a year-to-date basis, two private positions make the top three detractors list. Neurogastrx suffered a clinical set back and is being wound down. Alcyone is approaching the end of its cash runway and is having difficulty fundraising.

Our private activity has been picking up this year versus last. The Company has made investments in four new companies in the first half versus three last year. This quarter we added Abdera Therapeutics. The Company participated in Abdera's Series B financing round together with other investors. Abdera is a radiopharmaceuticals company with a lead program focused on small cell lung cancer.

Two portfolio companies went public in Q2: Acelyrin and Tourmaline Bio. Both are late-stage immunology companies, a focus area for the firm. Despite a challenging IPO market, Acelyrin raised \$540m and saw shares trade up c. 30%. Tourmaline Bio went public via reverse merger with Talaris Therapeutics, alongside a \$75m private placement and also performed well. So far this year, all go-public events in the portfolio (four in total) have happened at healthy premiums to our prior private holding values. In addition, three of the six therapeutic IPOs in the United States have been RTW portfolio companies.

## RTW INVESTMENTS, LP TEAM

76 Professionals, including



### Key RTW personnel for RTW Biotech Opportunities Ltd:

**Roderick Wong**, MD, Investment Manager; **Stephanie Sirota**, Chief Business Officer; **Woody Stileman**, Managing Director, Business Development; **Krishna McCune**, Director, Client Service

### RTW Biotech Opportunities Ltd Board of Directors:

**William Simpson**, Chairman; **Paul Le Page**, Chairman of the Audit Committee; **William Scott**, Chairman of the Nomination and Remuneration Committee; **Stephanie Sirota**, Non-Executive Director

## FUND INFORMATION

Structure: Closed-End Investment Fund

Domicile: Guernsey

Listing: London Stock Exchange

Launch date: 30 October 2019

SEDOL: BKTRRM2

ISIN: GGO0BKTRRM22

TIDMs: RTW (USD) RTWG (GBP)

Currencies: USD and GBP

Restrictions: <15% of gross assets will be invested in other listed investment funds

Financial Year End: 31 December

Interim end: 30 June

Dividend policy: To be reinvested

Management fee: 1.25%

Performance fee: 20% with 8.0% hurdle

Ongoing Charges Ratio: 1.9%

Investment Manager: RTW Investments, LP

Corporate Brokers: Numis, BofA

Financial PR: Buchanan Communications

Distribution Partner: Cadarn Capital

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RTW contact: Krishna McCune

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