Solving the most challenging, unmet patient needs

Half-Yearly Report and Interim Unaudited Consolidated Financial Statements

For the period ended 30 June 2023
Registered number: 66847

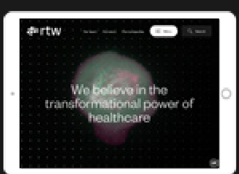
RTW Biotech Opportunities Ltd is a life sciences and investment innovation fund focused on identifying transformative assets with high growth potential across the biopharma and medtech sectors. With the Group's capital and the Investment Manager's expertise, we're powering medical breakthroughs that will transform the wellbeing of people around the world.

01 // STRATEGIC REPORT

02 // UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

03 // ADDITIONAL INFORMATION

Defined terms used in the Annual Report are defined in the Glossary.



Read more online
rtwfunds.com

HIGHLIGHTS

30 June 2023 Financial Highlights

↑ US$356.5M
Ordinary NAV
(30 June 2022: US$265.7 million)

↑ US$1.68
NAV per Ordinary Share
(30 June 2022: US$1.25)

↑ 61.5%
Ordinary NAV growth since inception
(30 June 2022: +20.1%)

↑ 19.7%
Total shareholder return since admission
(30 June 2022: -7.1%)

↑ 9.3%
Ordinary NAV per share growth YTD
(30 June 2022: -26.8%)

↑ 2.9%
Total shareholder return YTD
(30 June 2022: -45.7%)

↑ US$9.5M
Cash / cash equivalents
(30 June 2022: US$7.6 million)

↑ US$1.25
Price per Ordinary Share[1]
(30 June 2022: US$0.97)

1 Share price at 11 September is $1.26.

Portfolio Highlights in the period

8
Significant capital markets activities in the core portfolio[1] (2 take-outs, 2 IPOs, 1 SPAC merger, 1 reverse merger and 2 announced strategic financings)

24/37
Core portfolio companies have clinical programs
(30 June 2022: 28/41)

51%
Of NAV invested in the core portfolio
(30 June 2022: 62%)

37
Core portfolio companies in total: 27 private, 10 public
(30 June 2022: 26 private, 15 public)

5
New core portfolio companies added

5
Core public portfolio companies exited

1 Core portfolio consists of companies that were initially added to the portfolio as private investments, reflecting the key focus of the Group's strategy. As initially private investments continue to be held beyond IPO, the core portfolio consists of both privately-held and publicly-listed companies.

OUR PURPOSE

Transforming the lives of millions

Learn more about this in our **Purpose Video**

Learn more about this in our **Culture Video**

RTW's long-term strategy is anchored in identifying sources of transformational innovations with significant commercial potential by engaging in deep scientific research and a rigorous idea generation process, which is complemented by years of investment, company building, and both transactional and legal expertise.

Our long-term strategy

Identify transformational innovations

RTW has developed expertise through a comprehensive study of industry and academic efforts in targeted areas of significant innovation. Thanks to the decoding of the human genome, there is more clarity around the causes of disease. Coupled with exciting new modalities that can address genetic diseases in a targeted way, drug innovation is accelerating.

Engage in deep research to unlock value

RTW has developed repeatable internal processes combining technology and manpower to comprehensively cover critical drivers of innovation across the globe. We seek to identify, through rigorous scientific analysis, biopharmaceutical and medical technology assets that have a high probability of becoming commercially viable products, dramatically changing the course of treatment and in some cases bringing effective and/or fully curative outcomes to patients.

Build new companies around promising academic licences

RTW has the capabilities to partner with universities and in-license academic programs, by providing capital and infrastructure to entrepreneurs to advance scientific programs. Particularly in rare disease there is often little existing research and are few treatment options, so forming a rare disease-focused company is a way of shining a light on this space and creating a roadmap to eventually developing curative treatments.

Support through full life cycle investment

A key part of RTW's competitive advantage is the ability to determine at which point of a company's life cycle we should support the target asset or pipeline. As a full life cycle investor, we can provide growth capital, creative financing solutions, capital markets expertise, or guidance through contributing our time and sharing our collective experience as directors and stewards of tomorrow's most exciting and innovative companies. Taking a long-term full life cycle approach and having a truly evergreen structure enables us to avoid the pitfalls and structural constraints of venture-only or public-only vehicles. Our focus is on becoming the best investors and company builders we can be, delivering exceptional results to shareholders and making a positive impact on patients' lives.

New positioning to reflect our full life cycle approach

"We believe that this change of name better places the Group amongst our listed healthcare and biotech investment company peers and more accurately reflects the Group's full life cycle approach to biotech investing as a partner that can invest in both the private and public domains and across the capital structure."

Learn more about the new name in our **RNS**

Our new name

On 22 June 2023, RTW Biotech Opportunities Ltd, a London Stock Exchange-listed investment fund focused on identifying transformative assets with high growth potential across the life sciences sector, announced that it changed its name from RTW Venture Fund Limited. Its Subsidiary (together the "Group"), RTW Biotech Opportunities Operating Ltd, also changed its name from RTW Venture Fund Operating Limited. Shareholders were unaffected by the change of name, and the Company's TDIMs, ISIN and SEDOLs all remain the same.

rtw Biotech Opportunities

William Simpson
Chair of
the Board

I am pleased to report that the Investment Manager ("RTW") has achieved a solid performance for the Group. The Group's NAV returned +9.3% over the six-month period, materially outperforming both the Russell 2000 Biotech and the Nasdaq Biotech Index ("NBI") which returned +5.3% and -3.2% respectively. The Group's NAV has also strongly outperformed its biotech benchmarks over one year and three years.

Since admission in October 2019, the Group's NAV has significantly outperformed its biotech benchmarks returning +61.5% versus -0.3% and +20.7% for the Russell 2000 Biotechnology Index and the NBI, respectively. However, the Company's share price has lagged NAV growth with a +19.7% return as the shares fell to a discount to NAV in 2022, alongside many of our peers, after having traded at a small premium for most of the prior years since admission. The discount widened in the early part of the year as the shares traded sideways despite a pickup in the Group's NAV but started to narrow again towards the end of the reporting period.

H1 2023 Overview and Outlook

There has been no shortage of positive activity in the portfolio in the first half of 2023 with two take-outs, two IPOs, a SPAC merger, a reverse merger, two announced strategic financings, five new private investments and five exits (not including the take-outs). At the end of the period, the Group had thirty-seven core portfolio holdings, a decrease from forty-one last year. The core portfolio represents 51.2% of NAV, down from 61.8% at the same time last year. The "other public" portfolio (a replica of the long names held in RTW's private funds, devised to mitigate the cash drag of setting aside cash for future deployment into core positions) remains at about one third of NAV. The reduced allocation to the core portfolio and the currently elevated Available Cash position (18%) is a result of the Group recently receiving substantial proceeds from the sale of Prometheus Biosciences to Merck.

The Prometheus sale was the stand-out event in the first half of the year. At 14.8% of NAV, Prometheus was the Group's largest holding when it was acquired by Merck at a 75% premium to the prior closing price. Total proceeds from the sale of Prometheus shares amounted to US$99.1 million on total invested capital of US$8.4 million, representing an 11.8x multiple. The multiple on capital invested in the private rounds was 22x. This transformational transaction is a perfect example of the Group's successful investment strategy at work. The ability to invest across a company's life cycle provides significant advantages. Surveying early-stage private assets provides access to experimental data that typically isn't shared in the public markets and investing early allows time to build relationships with entrepreneurs and management teams. Without the pressure to exit at an IPO, the Investment Manager typically aims to increase the size of the most promising investments as they enter the public markets. It was the duration and flexibility offered by our listed investment company structure that allowed the Investment Manager to increase conviction and grow the position through the IPO and multiple inflection points right up to the end.

In light of this significant success in demonstrating the value of a full life cycle investment strategy, the Group announced a capital allocation plan after the end of the reporting period. This included a share buyback, given the Board's belief that the share price materially undervalues the Group and its portfolio. The Board believes that this further demonstrates: 1) its confidence in the outlook for the biotech sector and the Group's portfolio; 2) capital allocation discipline; and 3) the proven value of the Group's model. The Board is pleased with the reaction from our shareholders and the market.

With the biotech sector only just recovering from the second deepest and second longest bear market in its history, now is a particularly opportune time to take receipt of the Prometheus proceeds. Valuations are attractive, fundamentals have turned around and M&A has become a significant tailwind. As a result, the Group will retain an appropriate level of the proceeds to invest in highly attractive equity opportunities across the private, core public and other public portfolios over the medium term, as per the Group's core objective.

Financing conditions in the sector remain tight, however, and this environment enables RTW to flex the transactional capabilities it has built over the years to help support exciting companies by offering strategic financing solutions including royalty financing. The Company's shareholders will access royalty opportunities through an investment in RTW's "4010 Royalty Fund." There will be no double-charging as fees will be taken at the Company level only. The Board considers that this presents an attractive, uncorrelated, cash-yielding investment that complements the Group's portfolio. The Group intends to limit royalty investment exposure to approximately 15% of NAV including the current royalty holding in the portfolio, which was 4.0% of NAV as at 30 June.

In a time when private market valuations are so heavily scrutinised, it is important to have a robust valuation process. We strongly believe this to be the case with RTW's Valuation Committee's fair value approach to marking the private portfolio on a monthly basis, in conjunction with two independent third-party valuation firms, Alvarez & Marsal and Houlihan Lokey. The proof comes when private investments become public companies. With two IPOs in the first half and another just after the end of the reporting period, we have a reasonable sample to assess the private portfolio's fair value. With all of these events seeing a step-up from their prior private holding value by an average of 58%, we emphasise our confidence in the Group's portfolio and outlook for the sector.

AGM Results and Name Change

The Group held its Annual General Meeting on 21 June 2023 to consider the audited consolidated financial statements and other matters, including a change of name from RTW Venture Fund Limited to RTW Biotech Opportunities Ltd. We are grateful to shareholders who cast their votes. The results have been announced to the market and published on the Investment Manager's website https://www.rtwfunds.com/rtw-biotech-opportunities-ltd/.

The Board believes that this name better places it amongst its listed healthcare and biotech investment company peers and more accurately reflects the Group's full life cycle approach to biotech investing as a partner that can invest in both the private and public domains and across the capital structure with the flexibility to focus on where the most attractive opportunities exist.

New Corporate Broker and Distribution Partner

In April, the Board appointed Numis as a corporate broker alongside BofA Securities, which remains as Joint Corporate Broker. Soon after, the Group started working with Cadarn Capital, a specialist investment company distribution and investor relations partner to accelerate the Group's brand recognition, particularly in the UK, after more than three years of peer-leading performance since admission.

On behalf of the Board, I would like to express our gratitude for your continued support and wish you all the best for the remainder of 2023.

William Simpson
Chair of the Board of Directors
RTW Biotech Opportunities Ltd
12 September 2023

Transforming visionary ideas into vivid realities

Roderick Wong, MD
Managing Partner

Executive summary

Since listing on the London Stock Exchange in October 2019, the Group has grown the NAV attributable to Ordinary Shareholders from US$168.0 million to US$356.5 million as of 30 June 2023. The NAV per Ordinary Share has increased 61.5% from US$1.04 to US$1.68 in the same period. Disappointingly, the share price has not kept pace with NAV, returning +19.7%, as the shares fell to a discount in early 2022 and have remained there despite a substantial pick-up in the Group's NAV from the low in May 2022. From that point in time until the end of the current reporting period, the NAV has increased by 37.7% from US$1.22, while the share price has increased by only 8.7%. With continued NAV outperformance versus the market and peers, and with the sector's recovery gaining momentum, it is our expectation that the share price should follow.

Financial Highlights, Performance Drivers and Significant Events

Table 1. Financial Highlights

RTW Biotech Opportunities Ltd	Interim reporting period (01/01/2023-30/06/2023)	Previous Interim reporting period (01/01/2022-30/06/2022)	Admission (30/10/2019)-30/06/2023
Ordinary NAV – start of period	US$326.1 million	US$363.0 million	US$168.0 million
Ordinary NAV – end of period	US$356.5 million	US$265.7 million	US$356.5 million
NAV per Ordinary Share – start of period	US$1.54	US$1.71	US$1.04
NAV per Ordinary Share – end of period	US$1.68	US$1.25	US$1.68
NAV movement per Ordinary Share	**+9.3%**	**-26.8%**	**+61.5%**
Price per Ordinary Share – start of period	US$1.21	US$1.78	US$1.04
Price per Ordinary Share – end of period	US$1.25	US$0.97	US$1.25
Share price return(i)	**+2.9%**	**-45.7%**	**+19.7%**
Benchmark returns(ii)			
Russell 2000 Biotech	+5.3%	-39.1%	-0.3%
Nasdaq Biotech	-3.2%	-20.7%	+20.7%

(i) Total shareholder return is an alternative performance measure.
(ii) Source: Capital IQ.

NAV movement per Ordinary Share as of 30 June 2023

↑9.3%

(2022: -26.8%)

See our latest in the **Share Price Center**

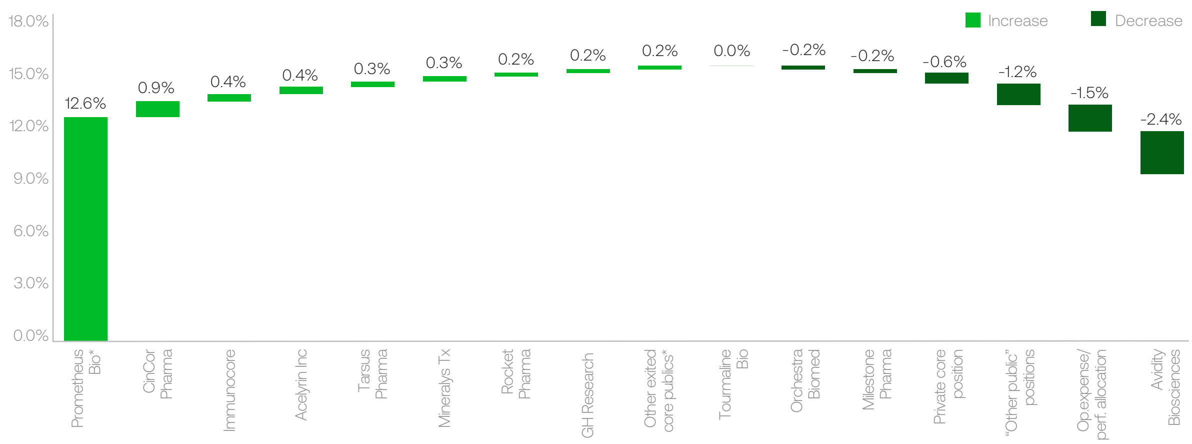
RTW Investments, LP, the "Investment Manager", a leading global healthcare-focused investment firm with a strong track record of supporting companies developing life-changing therapies, created the Group as an investment fund focused on identifying transformative assets with high growth potential across the biopharmaceutical and medical technology sectors. Driven by deep scientific expertise and a long-term approach to building and supporting innovative businesses, we invest in companies developing transformative next-generation therapies and technologies that can significantly improve patients' lives while creating significant value for our shareholders.

NAV performance in the first half of 2023 has overwhelmingly been driven by the core public portfolio (+12.6% contribution) with two of those positions being acquired by large cap pharma companies at significant premiums. In particular, our largest holding Prometheus Biosciences, which contributed +12.6% to NAV, announced in April that it was to be acquired by Merck for US$200.00 per share in cash, a 75% premium to the prior closing price. In January, CinCor Pharma (+0.9% contribution) announced an agreement to be acquired by AstraZeneca for US$1.3 billion upfront. CinCor shareholders also received a non-tradable contingent value right, payable upon receipt of FDA approval. Combined, these payments represent a 206% premium. There were no other contributors of note. Core public holding, Avidity Biosciences, was the only noticeable detractor (-2.4%) after it announced clinical data in May that did not meet expectations.

The core private portfolio made a small negative contribution (-0.6%) to NAV. Within that, RTW Royalty 2 (Urogen) contributed +0.5%, incorporating distributions received this year and a 7% increase in the valuation as sales revenue forecasts provided by independent analysts were added to our valuation models. This was offset by write-downs in Alcyone (-0.4%) which is in a challenged financing position, and Neurogastrx (-0.5%) which suffered a clinical setback and is being wound down. The "other public" portfolio contributed -1.2% to NAV.

Orchestra BioMed was not a significant contributor or detractor in the reporting period (-0.2% when combined with the contribution from HSAC2 founder shares); however, it is worth commenting on as its merger in January with our SPAC ("HSAC2") was a notable event. A strong start saw the shares trade above US$20 (versus US$10 at the de-merger), then trade down to US$7 at the end of the reporting period. With the majority of its market cap in cash, an EV of less than US$100 million, and backed by global medical devices leader, Medtronic, we remain excited for the future of the company and continue to believe that SPACs are a useful financing vehicle, especially in bear markets, in spite of the challenges they have had in recent times in the general market.

Figure 1. Performance Drivers as of 30 June 2023



* Exited positions

Key updates for Core Portfolio Companies during H1 2023:

CLINICAL & COMMERCIAL		FINANCING
	JAN	
In January, **Rocket** announced the addition of a new cardiac gene therapy program, RP-A601, for arrhythmogenic cardiomyopathy due to plakophilin 2 pathogenic variants (PKP2-ACM).		In January, **CinCor Pharma** announced an agreement to be acquired by AstraZeneca for $1.3 billion upfront. CinCor shareholders will also receive a non-tradable contingent value right, payable upon receipt of FDA approval. Combined, these payments represent a 206% premium. In January, **Orchestra BioMed** announced the closing of its merger with RTW's **Health Sciences Acquisitions Corporation 2** and started trading on the Nasdaq under the ticker "OBIO". Medtronic joined as Orchestra's commercial partner, anchoring the combination alongside RTW.
	FEB	
		In February, **Mineralys Therapeutics** went public through an upsized initial public offering, which raised US$192 million, under the ticker "MLYS". In February, the Group participated in a bridge financing round in **Allurion Technologies**, a company with a swallowable, procedure-less gastric pill balloon for weight loss. Earlier that month the company announced its intention to go public via a business combination that would include a fully committed PIPE led by RTW Investments and a non-dilutive, synthetic royalty financing to close concurrently with the business combination.
	MAR	
In March, **Avidity Biosciences** announced that discussions were ongoing with the US FDA regarding the partial clinical hold on new participant enrolment in its Phase 1/2 clinical trial for AOC 1001 (treats Mytonic Dystrophy). In March, **Immunocore** positively surprised the market with US$42 million of net sales of Kimmtrak in Q4 2022.		In March, the Group and other funds managed by RTW co-led a US$45 million Series B-1 financing round of **OriCell Therapeutics**, a China-based cell therapy company. In March, the Group and other funds managed by RTW co-led a US$200 million Series A financing round in **Cargo Therapeutics**, a clinical stage CAR T-cell therapy company. In March, the Group announced its participation in a US$125 million strategic financing deal with **Milestone Pharmaceuticals**. The strategic financing included US$50 million in convertible notes from RTW-managed funds, including the Group, as well as a commitment by RTW of US$75 million in royalty funding.
	APR	
In April, **Neurogastrx** announced the latest data from its NG010 trial that indicated the top-line primary end point did not meet statistical significance and its resultant potential liquidation.		In April, **Prometheus Biosciences** announced that it agreed to be acquired by Merck for US$200.00 per share in cash, a 75% premium to the prior closing price, for a total consideration of US$10.8 billion. In April, the Group participated in a Series B financing of **Abdera Therapeutics**; a pre-clinical stage biopharmaceutical company focused on small cell lung cancer and other solid tumours. The company raised US$142 million in a combined series A and B.
	MAY	
In May, **Rocket** posted several positive data updates from their PKD, Fanconi Anaemia, LAD-I and Danon Disease programs at the American Society of Cell and Gene Therapy ("ASGCT") conference. In May, **Avidity's** partial clinical hold was eased. However, the data from the higher dose of AOC 1001 in the muscular dystrophy trial didn't appear to further reduce expression of toxic DMPK, the hallmark of the disease. In May, **Rocket** received FDA clearance for the company's RP-A601 programme to enter the clinic.		In May, **Acelyrin** went public through an upsized US$540 million initial public offering under the ticker "SLRN".
	JUN	
		In June, **Prometheus Biosciences** announced that its acquisition by Merck had been completed. In June, **Tourmaline Bio** announced a merger with Talaris Therapeutics alongside a US$75 million private placement that will provide the company with a cash runway through 2026. The merger is expected to close in the fourth quarter of 2023.

Portfolio Breakdown, New Investments & Capital Allocation Plan

We define the core public portfolio as companies that were initially added to our portfolio as private investments, reflecting the key focus of the Group's strategy. Our investment approach is defined as full life cycle and therefore involves retaining private investments beyond their IPOs; hence the core portfolio consists of both privately-held and publicly-listed companies.

As of 30 June 2023, the Group's core portfolio accounted for 51.2% of NAV (H1 2022: 61.8%) and included 37 companies (H1 2022: 41), ranging from biotechnology companies developing preclinical to clinical-stage therapeutic programs, companies developing traditional small molecule pharmaceuticals, and med-tech companies developing or commercialising transformative devices. We selected these companies based upon our rigorous assessment of scientific and commercial potential and with regard to the valuation of the assets at the time of investment. Table 4 shows the top fifteen portfolio companies at the end of the reporting period.

Private companies accounted for 21.7% of NAV on 30 June 2023 and core public companies accounted for 29.5%. The small decrease in exposure to private investments primarily reflects the migration of three positions into the core public portfolio as a result of IPOs (Mineralys and Acelyrin) and a SPAC merger (Orchestra BioMed). These events outweighed the addition of the new private positions shown in Table 3. The lower exposure to the core public portfolio reflects the aforementioned sale of Prometheus to Merck and the exiting of our holdings in Monte Rosa, Ventyx, Tenaya, Third Harmonic and C4.

Approximately one third of the Group's NAV is invested in other publicly listed companies, which is similar to the same period last year. The "other public" portfolio is designed to mitigate the drag of setting aside cash for future deployment into core positions. This portfolio of assets has been carefully selected, matching, on a pro-rated basis, the long investments held in our private funds. The investments represented in this portfolio are similarly categorised as innovative biotechnology and medical technology companies developing and commercialising potentially disruptive and transformational products.

As of 30 June, the Group had Available Cash of 18% of NAV. This primarily reflects proceeds received from the sale of Prometheus stock. We will retain an appropriate level of these proceeds to invest in highly attractive opportunities across the private, core public and other public portfolios. We also plan to leverage the sector's current tight financing conditions by offering strategic financing solutions including royalty financing deployed through "4010 Royalty Fund", another fund managed by RTW Investments. The Board also plans to distribute a portion of the Prometheus proceeds through a share buyback, which has now commenced. We share the Board's view that the current discount to NAV undervalues the Group and its portfolio, and we feel that this action represents an attractive, NAV-accretive investment.

As of 30 June 2023, the portfolio was diversified across treatment modalities, therapeutic focus, and clinical stage. While the portfolio is still majority invested in US-based companies, we are committed to adding UK and EU companies in an effort to support the best assets across the globe and help foster local biotech ecosystems. By constructing the portfolio in such a way, investors get exposure to the most innovative parts of a highly specialised sector with the explosive potential of companies like Prometheus Biosciences.

Looking forward, we expect the total portfolio sector allocation to remain close to 80% biopharmaceutical assets and 20% medical technology assets. In line with prior prospectus guidance, we anticipate two-thirds of new investments will be made in mid- to later-stage venture companies and one-third focused on active company building around the discovery and development or licensing and distribution of promising assets. As per our recently announced capital allocation plan, royalty investments (across biopharma and medtech) will be limited to approximately 15% of NAV.

The Group's core portfolio companies as of 30 June 2023

37
(2022: 41)

Learn more about this in **Our Companies**

Table 2. NAV capital breakdown as of 30 June 2023 compared to 30 June 2022

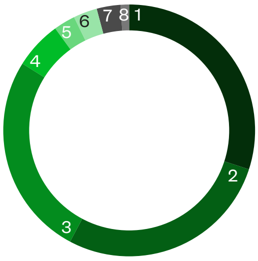
Portfolio grouping	% of NAV 30 June 2023	% of NAV 30 June 2022
Core private	21.7%	31.1%
Core public	29.5%	30.7%
"Other public"	30.8%	33.5%
Available Cash	18.0%	4.7%
Total	**100.0%**	**100.0%**

Table 3. New investments added in the first half of 2023

Company name	Description	% NAV
Cargo Therapeutics	Clinical stage biotech company targeting large B-cell lymphoma	0.4%
Allurion Technologies	Medtech company with a swallowable, procedure-less gastric pill balloon for weight loss, commercially available in 5 countries, clinical stage in the U.S.	0.01%
OriCell Therapeutics	Preclinical stage pharmaceutical company focusing on multiple myeloma	0.6%
Abdera Therapeutics	Preclinical biopharma company developing radiopharmaceuticals for lung cancer	0.3%
Tourmaline Bio	Late-stage biotech company developing medicines for thyroid eye disease and atherosclerotic cardiovascular disease	0.2%

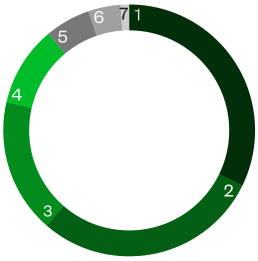
Figure 2. Core Portfolio breakdown as a percentage of NAV, adjusted to be out of 100%, by (A) Therapeutic Focus, (B) Modality, (C) Clinical Stage and (D) Geography as of 30 June 2023

(A) Therapeutic Focus %



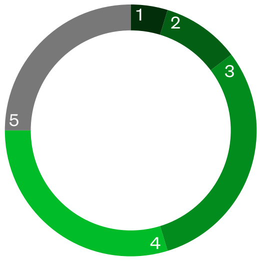
1	Oncology	30%
2	Rare Disease	28%
3	Cardiovascular	26%
4	Inflammation	6%
5	Ophthalmology	3%
6	Neurology	3%
7	T1 Diabetes	3%
8	Pulmonary	1%
9	Orthodontic	0%
10	Gastrointestinal	0%

(B) Modality %



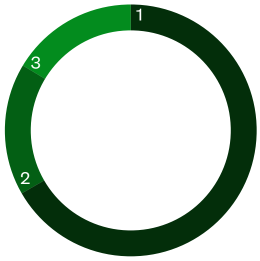
1	Small Molecule	32%
2	Genetic Medicine	30%
3	Antibody	17%
4	Medtech	10%
5	Spec Pharma	6%
6	Cell Therapy	4%
7	Targeted Protein Degradation	1%

(C) Clinical Stage %



1	Preclinical	5%
2	Phase 1	10%
3	Phase 2	30%
4	Phase 3 / Pivotal	30%
5	Commercial	25%

(D) Geography %



1	USA & Canada	67%
2	UK & EU	17%
3	China	16%

Table 4. Top fifteen core positions as of 30 June 2023

Portfolio Company	Description	Therapeutic Area	Clinical stage of lead program	Expected upcoming catalyst	% NAV
Rocket	Gene therapy platform company for rare paediatric diseases Four clinical programs for Fanconi anaemia, Danon, LAD, and PKD	Rare Disease	Phase 2	Q3 2023	12.5%
Immunocore	T-cell receptor therapy company focused on oncology and infectious disease	Oncology	Commercial	Q3 2023	7.3%
Ji Xing	NewCo focused on acquiring rights from innovative therapies for development and commercialisation in China	Cardiovascular, Ophthalmology	Phase 3	Series D Q4 2023	7.3%
RTW Royalty 2	Royalty deal with Urogen for JELMYTO, the first FDA-approved treatment for low-grade upper tract urothelial cancer	Oncology	Commercial	Q3	4.0%
Milestone	Clinical stage company developing interventions for tachycardias	Cardiovascular	Phase 3	FDA filing Q3 2023	2.5%
Orchestra	Medical device company focused on developing products for the treatment of coronary artery disease and hypertension	Cardiovascular	Phase 3	–	1.8%
Avidity	Antibody conjugated RNA medicines company. Lead program for myotonic dystrophy, a degenerative disease with no therapy	Myotonic Dystrophy	Phase 1	P1 Data Q4 2023	1.8%
Beta Bionics	Closed-loop pancreatic system for automated and autonomous delivery of insulin	Type 1 Diabetes	Phase 3	–	1.3%
NiKang	Biotech using a structure-based design to develop innovative small molecules against promising molecular targets in oncology	Oncology	Phase 1	Data Q1 2024	1.2%
Ancora	Medical device company developing products that target dysfunction of the left ventricle, the underlying cause of heart failure	Cardiovascular	Phase 3	–	1.1%
Tarsus	Clinical stage biotech developing first-in-class therapeutics for ophthalmic conditions	Ophthalmology	Phase 3	PDUFA Q3 2023	1.1%
GH Research	Clinical stage biotech developing therapies to manage mental disease	CNS	Phase 2	Data YE 2023	1.0%
Acelyrin	Biopharma company focused on accelerating the development and delivery of transformative medicines in immunology	Inflammation	Phase 2	–	0.8%
Magnolia Medical	Medical diagnostics company that has patented a technique and technology for blood culture collection	Inflammation, sepsis	Commercial	–	0.7%
OriCell	China-based pharma company developing tumour cellular immunotherapeutics to treat relapsed and refractory multiple myeloma	Multiple myeloma	Preclinical	–	0.6%

Table 5. Core portfolio positions as of 30 June 2023 compared to 30 June 2022

Portfolio Company	Private[1]/ Public[2]	Valuation in US$ at 30/06/2023	% of Group's net assets at 30/06/2023	Valuation in US$ at 30/06/2022	% of Group's net assets at 30/06/2022
Rocket	Public	47,705,037	12.5%	32,538,657	11.5%
Immunocore	Public	27,716,450	7.3%	12,034,341	4.2%
Ji Xing	Private	27,586,548	7.3%	24,451,819	8.6%
RTW Royalty 2	Private	15,086,772	4.0%	14,474,522	5.1%
Milestone[5]	Public	9,577,632	2.5%	3,772,913	1.3%
Orchestra[3,4]	Public	6,979,837	1.8%	2,471,736	0.9%
Avidity	Public	6,952,998	1.8%	10,171,421	3.6%
Beta Bionics	Private	5,117,893	1.3%	5,673,324	2.0%
NiKang	Private	4,452,023	1.2%	4,359,087	1.5%
Ancora	Private	4,240,240	1.1%	2,754,042	1.0%
Tarsus	Public	4,181,963	1.1%	3,161,080	1.1%
GH Research	Public	3,639,221	1.0%	3,061,056	1.1%
Acelyrin[3]	Public	3,008,053	0.8%	1,306,017	0.5%
Magnolia Medical	Private	2,628,698	0.7%	2,589,231	0.9%
OriCell	Private	2,339,375	0.6%	–	–
Apogee	Private	2,303,380	0.6%	–	–
Umoja	Private	2,248,947	0.6%	2,669,948	0.9%
Encoded	Private	2,216,591	0.6%	2,881,595	1.0%
Mineralys[3]	Public	1,982,335	0.5%	1,034,231	0.4%
Kyverna	Private	1,863,590	0.5%	1,292,043	0.5%
Numab	Private	1,852,448	0.5%	1,642,139	0.6%
Nuance	Private	1,665,286	0.4%	1,526,120	0.5%
Lenz	Private	1,451,751	0.4%	1,471,248	0.5%
Cargo	Private	1,412,351	0.4%	–	–
Abdera	Private	1,136,802	0.3%	–	–
Lycia	Private	979,462	0.3%	969,864	0.3%
Tourmaline Bio	Private	891,289	0.2%	–	–
Artiva	Private	865,532	0.2%	919,286	0.3%
Artios	Private	741,774	0.2%	681,351	0.2%
Swift Health	Private	645,171	0.2%	740,211	0.3%
CinCor	Public	541,706	0.1%	3,329,206	1.2%
Prometheus Labs	Private	175,734	0.05%	207,885	0.1%
Alcyone	Private	149,750	0.04%	4,054,228	1.4%
Yarrow	Private	149,231	0.04%	463,044	0.2%
Neurogastrx	Private	114,535	0.03%	1,597,646	0.6%
Allurion	Private	39,247	0.01%	–	–
Visus	Private	149	0.00004%	2,237,667	0.8%

1 Valuations for private portfolio companies on a fair value basis.
2 The valuations of public positions were calculated using their market capitalisation as of 30 June 2023
3 Position was private at the last interim reporting period end and has since gone public. In accordance with the Group's valuation policy in practice prior to 2023, as at 30 June 2022, the Group applied a discount to its investments in private companies that became public companies subject to customary post-IPO lock-up provisions. As of 1 January 2023, the Group has elected to early adopt FASB's ASU 2022-03, ASC Topic 820, "Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions" which eliminated this practice. Refer to Note 1 to these unaudited interim consolidated financial statements.
4 Includes shares held in the initial SPAC vehicle (HSAC2) that merged with Orchestra in January 2023
5 Includes pre-funded warrants

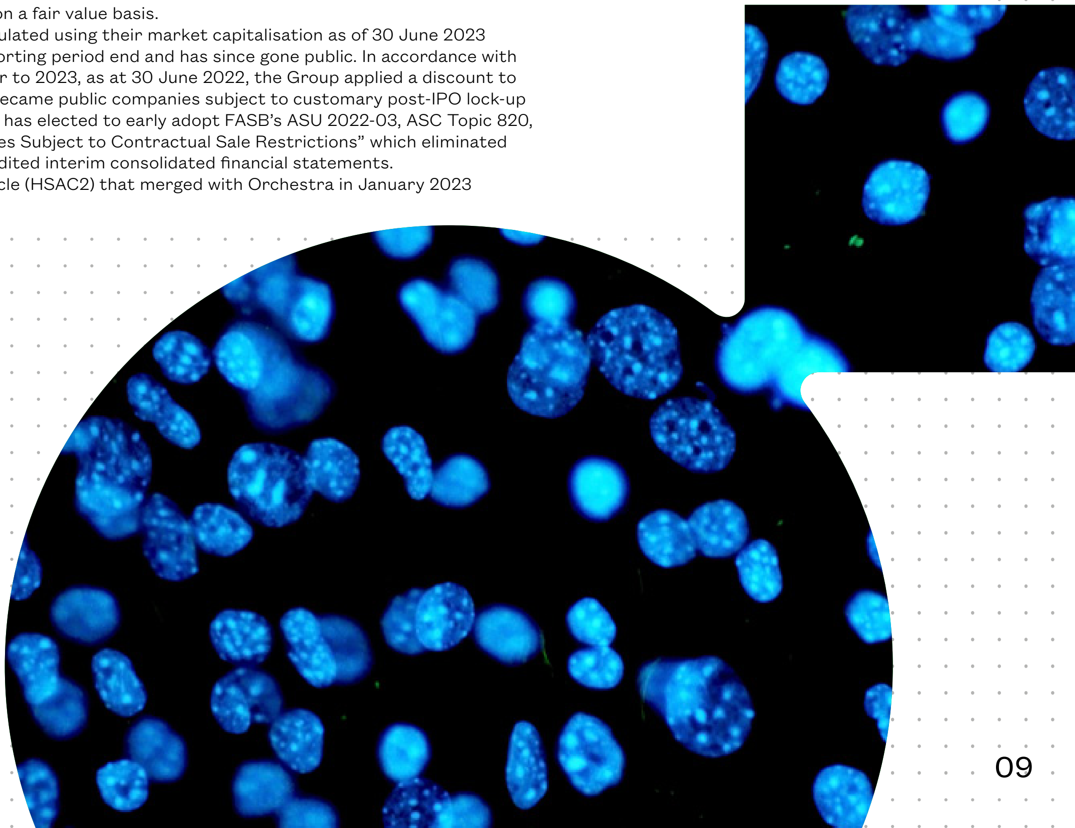


Table 6. RTW representation on portfolio companies' boards

Portfolio company[1]	RTW representative on the board
Alcyone	Piratip Pratumsuwan
Ji Xing	Rod Wong, Peter Fong, Gotham Makker
Magnolia	Ovid Amadi
Nikang	Chris Liu
Rocket	Rod Wong, Gotham Makker, Naveen Yalamanchi
Yarrow	Rod Wong, Peter Fong, Gotham Makker

1 In aggregate these represent 22% of the NAV of the Group at 30 June 2023

Table 7. Top 5 "Other Public" portfolio holdings as of 30 June 2023

Position	Ticker	% of NAV	Description
Argenx SE	ARGX	3.8%	Commercial stage multi-pipeline immunology company
PTC Therapeutics	PTCT	2.4%	Commercial stage biotech making therapies for rare genetic diseases.
Axsome Therapeutics	AXSM	2.1%	Commercial stage biotech focused on CNS
Stoke Therapeutics	STOK	2.0%	Clinical stage biotech developing RNA treatments for severe genetic diseases
Establishment Labs Holdings	ESTA	1.9%	Commercial stage medtech manufacturing innovative breast health solutions

Private Portfolio Valuations and Cash Runway Analysis

The core private and public portfolios are the foundation of the Group's strategy. They are built on our rigorous assessment of the best private market investment opportunities. We have always been highly selective in this area, focusing only on companies with both well-founded science and attractive commercial opportunities. We are now benefiting from this discipline in a challenging capital markets environment as our private portfolio is a good size and well-funded.

As of 30 June 2023, the average cash runway of the twenty-four companies in our private portfolio that burn cash was twenty-six months, which gives them a good amount of time to focus on their clinical development plans until funding markets improve. There are eleven companies with less than twelve months of runway, two of which are RTW company creations, which is by design. Of the remainder, most have reasonable and well-formed capital raising plans in place. Two are in more challenging financial positions and one of those is being wound down with residual cash being returned to shareholders.

Which brings us to our private valuations. We hold our private company investments at 'fair value' i.e., the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. This is assessed in accordance with US GAAP, utilizing valuation techniques consistent with the International Private Equity and Venture Capital Guidelines including, but not limited to, the income approach and the market approach. Valuations are adjusted both during regular valuation cycles and on an ad hoc basis in response to 'trigger events' which may include changes in fundamentals, an intention to carry out an IPO, or changes to the valuations of comparable public companies. Our valuation process ensures that private companies are valued in both a fair and timely manner.

The process is overseen by the RTW Valuation Committee. The Committee is supported by RTW's valuation team that is independent from the investment team and receives advice from two independent third-party valuation firms, Alvarez & Marsal and Houlihan Lokey. The Committee approves valuations of private company investments on a monthly basis and utilises the analysis of an independent third-party valuation firm no less frequently than twice in a year in determining the fair value of each material private investment. The valuations are also reviewed twice per year by the Board and are subject to the scrutiny of KPMG in the annual audit process.

In the first half of this year, the private portfolio saw a total of thirty-six valuation adjustments. Twelve positions were marked up by an average of 16.8%; twelve were marked lower by any average of -26.6%. The balance remained at cost given the recent date of the investment. At 30 June, the average time since the last third-party valuation was 4.7 weeks and with an average of 1.2 years having elapsed since the last financing round.

The value of the private portfolio is best demonstrated by the three portfolio IPOs that have completed so far this year (including Apogee Therapeutics which occurred after the reporting period). In all cases, we saw a step-up in valuation from prior private holding value by c. 58% on average and a 1.82x multiple on invested capital. It is worth noting that this is happening in an environment where there have only been a few meaningful biopharma IPOs, highlighting the quality of the portfolio. Figure three shows the pickup in IPO and new investment activity in our core portfolio versus last year.

Figure 3. New private investments and IPOs by year since admission

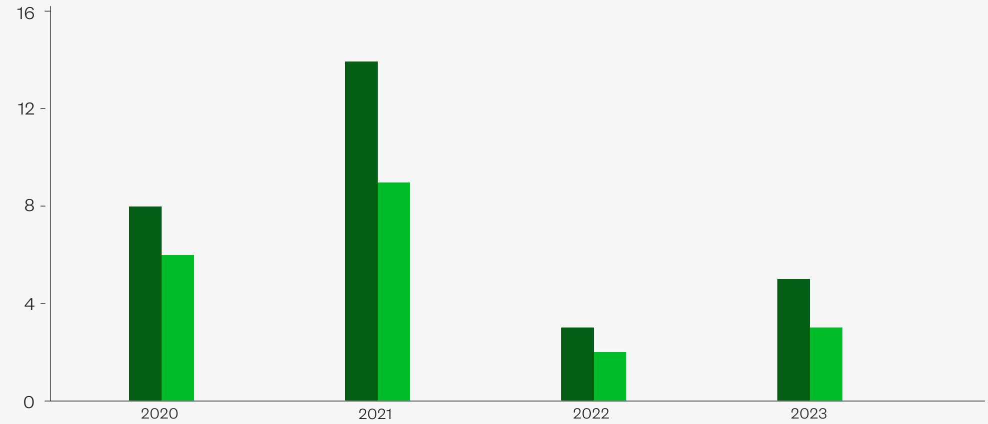
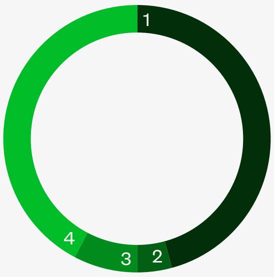
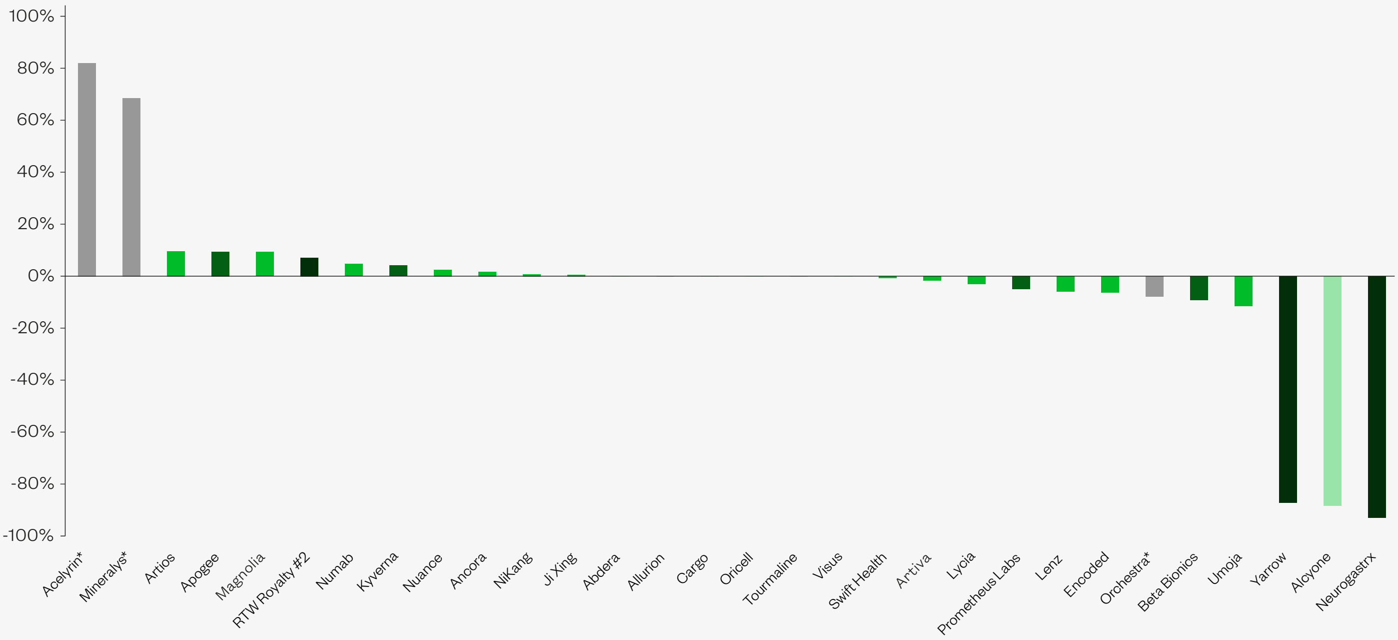


Figure 4. Core Portfolio Cash Runway Analysis



1	0 to 6 months	46%
2	1 to 1.5 years	4%
3	1.5 to 2 years	8%
4	2+ years	42%

Figure 5. Private portfolio year to date valuation changes



Reason for valuation change:

Performance   Financing / Transaction   Comps / Market   Financial distress   Public mark

* Position that went public during the period

Table 8. RTW's Private Valuation Statistics for H1 2023

Number of revaluations	36
Average time since last third-party valuation (at 30 June)	4.7 weeks
Average time since last financing round (at 30 June)	1.2 years
Average valuation change	-3.7%
Average write-up	16.8%
Average write-down	-26.6%
Average step-up to IPO price	58%
Average MOIC to IPO price	1.82x

Table 9. Performance of core portfolio investments since inception as of 30 June 2023

Portfolio Holding	Initial Investment	Valuation Date or Exit Date[3]	MOC[1]	XIRR[1]	Holding Period (yrs)
Invivata[2]	24/12/2020	18/06/2021	2.6	635.5%	0.5
Prometheus Bio[2]	30/10/2020	13/06/2023	24.7	275.8%	2.6
RTW Royalty Holdings[2]	13/11/2020	30/12/2022	3.4	129.6%	2.6
iTeos[2]	24/03/2020	17/03/2022	3.6	108.2%	2.0
Frequency[2]	17/07/2019	23/03/2021	2.8	85.3%	1.7
Mineralys	01/06/2022	30/06/2023	1.8	74.8%	1.1
Cincor[2]	22/09/2021	24/02/2023	2.1	68.3%	1.8
Acelyrin	20/10/2021	30/06/2023	2.0	58.5%	1.7
Athira[2]	29/05/2020	30/06/2022	1.6	56.8%	2.1
Immunocore	13/08/2019	30/06/2023	3.0	35.2%	3.9
RTW Investments ICAV for RTW Fund 2	05/05/2021	30/06/2023	1.5	20.4%	2.2
Apogee Therapeutics	15/11/2022	30/06/2023	1.1	15.8%	0.6
Pulmonx[2]	17/04/2020	04/11/2022	1.3	13.1%	2.6
Prometheus Labs	31/12/2020	30/06/2023	1.3	12.2%	2.5
Tarsus	24/09/2020	30/06/2023	1.3	9.7%	2.8
Magnolia	02/07/2021	30/06/2023	1.2	9.1%	2.0
Avidity	08/11/2019	30/06/2023	1.3	7.8%	3.6
Ji Xing	10/02/2020	30/06/2023	1.1	5.9%	3.4
Encoded	12/06/2020	30/06/2023	1.1	3.4%	3.0
Numab	07/05/2021	30/06/2023	1.1	3.3%	2.1
Ancora	20/01/2021	30/06/2023	1.0	1.7%	2.4
NiKang	09/09/2020	30/06/2023	1.0	1.6%	2.8
Abdera	04/04/2023	30/06/2023	1.0	0.0%	0.2
Allurion	23/02/2023	30/06/2023	1.0	0.0%	0.3
Cargo	09/02/2023	30/06/2023	1.0	0.0%	0.4
Oricell	24/02/2023	30/06/2023	1.0	0.0%	0.3
Tourmaline	02/05/2023	30/06/2023	1.0	0.0%	0.2
Ventyx[2]	26/02/2021	20/03/2023	1.0	0.0%	2.1
Kyverna	09/11/2021	30/06/2023	1.0	0.0%	1.6
GH Research	09/04/2021	30/06/2023	1.0	-1.7%	2.2
Artios	27/07/2021	30/06/2023	1.0	-2.2%	1.9
Nuance	07/12/2020	30/06/2023	0.9	-2.4%	2.6
Artiva	23/02/2021	30/06/2023	0.9	-3.4%	2.3
C4 Therapeutics[2]	02/06/2020	08/02/2023	0.9	-4.9%	2.7
Lenz Therapeutics	13/04/2022	30/06/2023	0.9	-5.3%	1.2
Beta Bionics	28/06/2019	30/06/2023	0.8	-7.0%	4.0
Lycia	02/09/2021	30/06/2023	0.9	-7.6%	1.8
Milestone	23/07/2020	30/06/2023	0.9	-8.7%	2.9
Orchestra	28/06/2019	30/06/2023	0.8	-9.3%	4.0
Biomea[2]	23/12/2020	24/01/2022	0.9	-10.2%	1.1
Swift Health	27/08/2021	30/06/2023	0.7	-15.4%	1.8
Umoja	09/06/2021	30/06/2023	0.7	-16.3%	2.1
Monte Rosa[2]	12/03/2021	02/02/2023	0.7	-19.2%	1.9
Tenaya[2]	17/12/2020	08/02/2023	0.2	-51.1%	2.1
Landos[2]	09/08/2019	02/11/2022	0.1	-55.0%	3.2
Third Harmonic[2]	17/12/2021	12/04/2023	0.2	-67.1%	1.3
Pyxis[2]	08/03/2021	08/07/2022	0.2	-70.5%	1.3
Neurogastrx	25/06/2021	30/06/2023	0.1	-73.2%	2.0
Alcyone	08/06/2021	30/06/2023	0.0	-87.5%	2.1
Yarrow	14/05/2021	30/06/2023	0.1	-97.0%	2.1
Visus	26/01/2021	30/06/2023	0.0	-98.2%	2.4
		Average	**1.6**	**18.0%**	**2.0**

1 Alternative Performance Measure
2 Exited position
3 The valuation date for all investments still held at the period end was 30 June 2023. Dates other than 30 June 2023 are the dates that a position was exited.

Table 10. Performance of Rocket Pharmaceuticals from admission to 30 June 2023

	Share price at admission	Share price at 30 June 2023	Share price return %
Rocket Pharmaceuticals	US$14.00	US$19.87	42%

Sector review and outlook

Pharma went shopping in the first half of the year. Total deal value of US$93 billion puts sector M&A activity on track to be at the highest level since 2019. 2019's US$328 billion total was driven by two large deals, Bristol-Meyers' US$74 billion for Celgene Corporation and AbbVie's US$63 billion for Allergan plc, 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 US$43 billion for Seagen Inc., Merck's US$11 billion for Prometheus, Novartis' US$3.2 billion for Chinook Therapeutics, Sanofi's acquisition of Provention Bio for US$2.9 billion and Lilly's US$2.4 billion for Dice Therapeutics. Premiums ranged from 30% for Seagen up to 270% for Provention Bio and proxies tell the story of competitive processes. Of the three large cap pharma companies we have highlighted as most in need of patent cliff revenue replenishment (Bristol, Pfizer, and Merck), only Pfizer has addressed a significant part of its exclusivity losses this decade, not to mention the potential impact of the Inflation Reduction Act (IRA) on small molecule portfolios. With attractive valuations for midcap biotech companies and record (and growing) cash piles on large cap pharma balance sheets, we think these deals will continue.

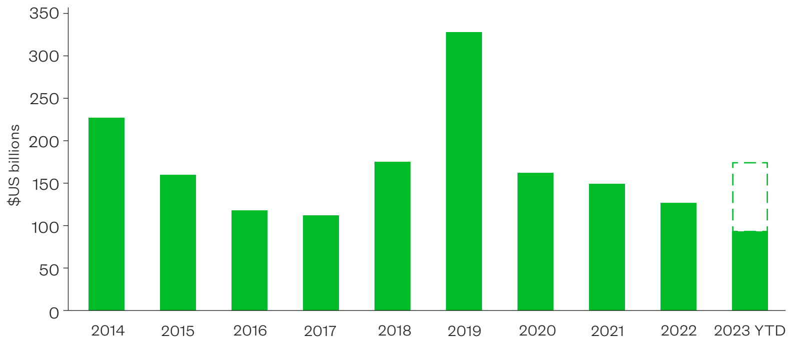
Despite the strong pick-up in M&A, the biotech sector's burgeoning recovery from the second worst bear market in its history flattered to deceive in the first half of the year. From the low in mid-May last year to the end of January this year, the Russell 2000 Biotech Index rallied over 40%, but then finished the first quarter -7.3%. It rallied back slightly in the second quarter to finish the first half +5.3%, but it was the only sector index to finish the half in meaningfully positive territory. The pharma heavy Arca index was +0.7%, the large cap heavy NBI was -3.2%, and the most commonly traded small cap index, the XBI, was +0.2%. At US$85.00, the XBI is trading at approximately the same level as it was in 2015 and only marginally above last year's lows when adjusting for subsequent take-outs and transformational clinical data. As a result, sector valuations remain attractive. The NBI is trading at 5.8x price to sales, which is still only 29% above Global Financial Crisis lows. At the smaller end of the spectrum, 180 of the 578 companies with less than US$10 billion of market capitalisation are trading at less than the cash on their balance sheets.

We suspect that some negative sector headlines might have impacted sentiment in the short term (without impacting fundamentals too much). The FTC Chair Lina Khan's push to expand the definition of anti-competitiveness beyond portfolio overlap likely dampened excitement about M&A. In the FTC's lawsuit to block Amgen's acquisition of Horizon Therapeutics, Khan introduced theoretical product bundling of non-overlapping products as an argument to block the deal. While we think the odds are low, should courts decide in favour of the FTC, agreements not to bundle across products seem a straightforward remedy in the same way that there were no pharma deals in the last decade that were blocked due to portfolio overlap – any issues were solvable with the divestiture of overlapping products.

The banking crisis in the first quarter also likely weighed on sentiment, especially with "biotech bank", Silicon Valley Bank ("SVB"), featuring so heavily. This was made moot by the deposit backstop, and SVB's orderly wind-down should have no material impact on biotech funding. However, it did conceal two significant M&A deals that happened on the same weekend: Pfizer-Seagen was the biggest deal since 2019 and Sanofi-Provention was the biggest premium paid so far this year.

Another reason the sector's recovery has decelerated is likely the strong performance in the technology sector, driven by interest in AI. The year-to-date performance divergence between tech and biotech is as wide as it has ever been. For biotech, the near-term opportunity to apply AI is in the laborious idea generation and screening phases of target

Figure 6 M&A in the biopharma sector, 2014 – 2023



▲ Source: Stifel as of 26/06/2023

discovery and molecular design, making these processes more efficient. This is clearly more incremental rather than transformational, as the market thinks AI will be for some large cap tech names, which have driven the sector's returns, pulling growth capital flows away from other sectors.

The good news is that capital markets activity is showing some improvement on top of the M&A already mentioned. Follow-on activity has been solid, rewarding those drug developers that can deliver successful data or news, with many of these offerings being oversubscribed and upsized. IPO activity is still slow with only three significant biotech debuts this year. Two more IPOs took place after the end of the reporting period, and they performed well on debut. We think that our portfolio company Apogee Therapeutics' upsized IPO in July may augur well for a better IPO environment ahead given its strong performance despite its being a pre-clinical company.

Finally, we believe that there is room for upside surprises with the Inflation Reduction Act ("IRA"), as we approach implementation later this year. The market appears to have assumed that Medicare price negotiations are effectively early genericisation with dramatic and immediate price drops. Amid this sentiment, we think there could be some upside optionality. For example, the negotiation framework leaves the door open for more modest price reductions, especially for drugs that address high unmet needs with limited alternatives. What's more, pharma companies are now challenging the IRA in courts. In our view, if there is anything that ameliorates the worst-case scenarios, then this will likely be interpreted as positive for the sector.

Key portfolio company events post period end

On 17 July 2023, Apogee Therapeutics, a pre-clinical company focused on inflammation, went public through an upsized IPO, raising US$300 million. The company started trading on the Nasdaq under the ticker symbol "APGE".

Outlook for the remainder of 2023: A plan for future sustainability reporting and policy

Following the Board's directive in the second quarter to develop an approach to ESG for RTW Biotech Opportunities Ltd, the Group engaged sustainability advisory firm, Terra Instinct, to be its partner in developing a new policy and investor reporting. As an independent third party, Terra Instinct will take stock of the Investment Manager's investment process, governance infrastructure, and other relevant controls and procedures to help craft an ESG policy and framework for future reporting, including the presentation of estimates and carbon emissions metrics, all with a view to being in line with relevant standards. The first reporting is expected in the 2023 Annual Report.

RTW Investments, LP
12 September 2023

Statement of Principal Risks and Uncertainties for the Remaining Six Months of the year to 31 December 2023

As described in the Group's annual consolidated financial statements for the year ended 31 December 2022, the Group's principal and emerging risks and uncertainties include the following:

- Failure to achieve investment objective;
- Counterparty risk;
- The Investment Manager relies on key personnel;
- Portfolio companies may be subject to litigation;
- Exposure to global political and economic risks;
- Clinical development and regulatory risks;
- Imposition of pricing controls for clinical products and services;
- Inflation;
- Ukraine war;
- Availability of capital;
- Liquidity risk.

The Board believes that these risks are unchanged in respect of the remaining six months of the year to 31 December 2023.

Further information in relation to these principal risks and uncertainties may be found on pages 34 to 36 of the Group's annual report and audited consolidated financial statements for the year ended 31 December 2022.

These inherent risks associated with investments in the biotech and pharmaceutical sector could result in a material adverse effect on the Group's performance and value of the Ordinary Shares.

Risks are mitigated and managed by the Board through continual review, policy setting and regular reviews of the Group's risk matrix by the Audit Committee to ensure that procedures are in place with the intention of minimising the impact of the above-mentioned risks. The Board carried out a formal review of the risk matrix at the Audit Committee meeting held on 27 July 2023. The Board relies on periodic reports provided by the Investment Manager and Administrator regarding risks that the Group faces. When required, experts will be employed to gather information, including tax advisers and legal advisers.

Statement of Directors' Responsibilities

The Directors confirm to the best of their knowledge that:

- the unaudited interim consolidated financial statements have been prepared in conformity with US generally accepted accounting principles; and
- the interim management report (which includes the Chair's Statement, Report of the Investment Manager and Statement of Principal Risks and Uncertainties) together with the unaudited interim consolidated financial statements include a fair review of the information required by:
  a. DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the unaudited interim consolidated financial statements; and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
  b. DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place during the first six months of the financial year and that have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions described in the last annual report that could do so.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website (https://www.rtwfunds.com/rtw-biotech-opportunities-ltd). Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

William Simpson
Chair
12 September 2023

Paul Le Page
Director
12 September 2023

Independent Review Report to RTW Biotech Opportunities Ltd (formerly RTW Venture Fund Limited)

Conclusion

We have been engaged by RTW Biotech Opportunities Ltd (formerly RTW Venture Fund Limited) (the "Company") to review the consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2023 of the Company and its subsidiary (together, the "Group"), which comprises the unaudited interim consolidated statement of assets and liabilities including the unaudited interim consolidated condensed schedule of investments, the unaudited interim consolidated statements of operations, changes in net assets and cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the consolidated financial statements in the half-yearly financial report for the period ended 30 June 2023 do not give a true and fair view of the financial position of the Company as at 30 June 2023 and of its financial performance and its cash flows for the six month period then ended, in conformity with U.S. generally accepted accounting principles and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity ("ISRE (UK) 2410") issued by the Financial Reporting Council for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the consolidated financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Scope of review section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However future events or conditions may cause the Group or the Company to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group and the Company will continue in operation.

Director's responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with the DTR of the UK FCA.

The consolidated financial statements included in this interim report have been prepared in accordance with U.S. generally accepted accounting principles.

In preparing the half-yearly financial report, the directors are responsible for assessing the Group and 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 liquidation is imminent.

Our responsibility

Our responsibility is to express to the Company a conclusion on the consolidated financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the scope of review paragraph of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement letter to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached.

Dermot Dempsey.

Dermot Dempsey
For and on behalf of KPMG Channel Islands Limited
Chartered Accountants and Recognised Auditors
Guernsey

12 September 2023

Learn more about our **Corporate Governance**

Unaudited Interim Consolidated Statement of Assets and Liabilities as at 30 June 2023 and 31 December 2022

(Expressed in United States Dollars)

	30 June 2023 (unaudited)	31 December 2022 (audited)
ASSETS:		
Investments in securities, at fair value (cost at 30 June 2023: $269,083,089; 31 December 2022: $259,472,596)	319,379,663	350,125,577
Derivative contracts, at fair value (cost at 30 June 2023: $3,137,223; 31 December 2022: $2,614,659)	17,299,695	21,467,649
Cash and cash equivalents	9,471,726	6,966,168
Due from brokers	69,744,112	22,195,456
Receivable from unsettled trades	140,511	439,798
Other assets	508,574	345,750
TOTAL ASSETS	**416,544,281**	**401,540,398**
LIABILITIES:		
Securities sold short, at fair value (proceeds at 30 June 2023: $18,620,507; 31 December 2022: $15,407,927)	19,098,561	12,438,334
Derivative contracts, at fair value (proceeds at 30 June 2023: $nil; 31 December 2022: $nil)	5,664,527	8,926,743
Due to brokers	8,106,390	25,823,016
Payable for unsettled trades	2,463,202	5,561,560
Accrued expenses	796,444	866,756
TOTAL LIABILITIES	**36,129,124**	**53,616,409**
TOTAL NET ASSETS	**380,415,157**	**347,923,989**
NET ASSETS attributable to Ordinary Shares (shares at 30 June 2023: 212,389,138; 31 December 2022: 212,389,138)	**356,530,733**	**326,079,521**
NET ASSETS attributable to Non-Controlling Interest	**23,884,424**	**21,844,468**
NAV per Ordinary Share	**1.6787**	**1.5353**

The unaudited interim consolidated financial statements of the Group were approved and authorised for issue by the Board of Directors on 12 September 2023 and signed on its behalf by:

William Simpson
Chair

Paul Le Page
Director

See accompanying notes to the unaudited interim consolidated financial statements.

Unaudited Interim Consolidated Condensed Schedule of Investments as at 30 June 2023

(Expressed in United States Dollars)

Descriptions	Number of Shares	Cost	Fair Value	Percentage of Net Assets
Investments in securities, at fair value				
Common stocks				
United States				
Healthcare				
Rocket Pharmaceuticals, Inc.	2,400,755	8,188,796	47,703,002	12.54
Others*		127,515,791	121,984,566	32.07
Total United States		**135,704,587**	**169,687,568**	**44.61**
Netherlands				
Healthcare		6,553,862	7,843,162	2.06
Ireland				
Healthcare		6,637,310	6,368,860	1.67
British Virgin Islands				
Healthcare		776,929	1,264,551	0.33
Bermuda				
Healthcare		808,297	992,316	0.26
China				
Healthcare				
Ji Xing Pharmaceuticals Ltd.	541,205	216,482	595,382	0.16
Canada				
Healthcare		2,752,161	557,697	0.15
Cayman Islands				
Financials		46,790	49,270	0.01
Healthcare		84,830	432,632	0.11
Total Cayman Islands		**131,620**	**481,902**	**0.12**
Total common stocks		**153,581,248**	**187,791,438**	**49.36**

* No individual investment security or contract constitutes greater than 5 percent of net assets.

See accompanying notes to the unaudited interim consolidated financial statements.

Unaudited Interim Consolidated Condensed Schedule of Investments (continued) as at 30 June 2023

(Expressed in United States Dollars)

Descriptions	Number of Shares	Cost	Fair Value	Percentage of Net Assets
Investments in securities, at fair value (continued)				
Convertible preferred stocks				
United States				
Healthcare*		42,502,730	35,071,074	9.22
China				
Healthcare				
Ji Xing Pharmaceuticals Ltd.	10,599,945	14,824,184	16,299,307	4.28
Others		1,771,208	1,665,285	0.44
Total China		**16,595,392**	**17,964,592**	**4.72**
Ireland				
Healthcare		1,093,042	2,164,154	0.57
Switzerland				
Healthcare		1,729,518	1,852,448	0.49
Total convertible preferred stocks		**61,920,682**	**57,052,268**	**15.00**
American depository receipts				
United Kingdom				
Healthcare				
Immunocore Holdings plc	462,249	11,872,691	27,716,450	7.29
Netherlands				
Healthcare		8,497,764	9,584,240	2.52
Ireland				
Healthcare		1,701,274	3,345,424	0.88
Sweden				
Healthcare		178,258	260,325	0.07
Total American depository receipts		**22,249,987**	**40,906,439**	**10.76**
Convertible notes				
China				
Healthcare				
Ji Xing Pharmaceuticals Ltd.	978,174	9,781,740	10,691,858	2.81
Canada				
Healthcare		7,512,664	7,512,660	1.97
United States				
Healthcare		2,221,835	338,228	0.09
Total convertible notes		**19,516,239**	**18,542,746**	**4.87**

* No individual investment security or contract constitutes greater than 5 percent of net assets.

See accompanying notes to the unaudited interim consolidated financial statements.

Unaudited Interim Consolidated Condensed Schedule of Investments (continued)
as at 30 June 2023
(Expressed in United States Dollars)

Descriptions	Number of Shares	Cost	Fair Value	Percentage of Net Assets
Investments in securities, at fair value (continued)				
Investment in private investment companies				
Ireland				
Healthcare		11,814,933	15,086,772	3.97
Total investment in private investment companies		**11,814,933**	**15,086,772**	**3.97**
Total investments in securities, at fair value		**269,083,089**	**319,379,663**	**83.96**

See accompanying notes to the unaudited interim consolidated financial statements.

Unaudited Interim Consolidated Condensed Schedule of Investments (continued) as at 30 June 2023

(Expressed in United States Dollars)

Descriptions	Number of contracts	Cost	Fair Value	Percentage of Net Assets
Derivative contracts – assets, at fair value				
Equity swaps				
United States				
Healthcare			11,888,081	3.13
British Virgin Islands				
Healthcare			2,093,912	0.55
Ireland				
Healthcare			662,644	0.17
Total equity swaps			**14,644,637**	**3.85**
Warrants				
Canada				
Healthcare		2,462,706	1,507,276	0.40
United States				
Healthcare				
Rocket Pharmaceuticals, Inc.	10,709	6,282	2,035	0.00
Others		668,235	604,041	0.16
Total United States		**674,517**	**606,076**	**0.16**
Total warrants		**3,137,223**	**2,113,352**	**0.56**
Contingent value rights				
United States				
Healthcare			541,706	0.14
Total contingent value rights			**541,706**	**0.14**
Total derivative contracts – assets, at fair value		**3,137,223**	**17,299,695**	**4.55**

See accompanying notes to the unaudited interim consolidated financial statements.

Unaudited Interim Consolidated Condensed Schedule of Investments (continued)
as at 30 June 2023
(Expressed in United States Dollars)

Descriptions	Proceeds	Fair Value	Percentage of Net Assets
Securities sold short, at fair value			
Common stocks			
United States			
Healthcare	16,920,032	16,944,342	4.46
Bermuda			
Healthcare	937,113	992,316	0.26
Cayman Islands			
Financials	46,135	49,270	0.01
Healthcare	46,260	432,633	0.11
Total Cayman Islands	**92,395**	**481,903**	**0.12**
Netherlands			
Healthcare	347,970	419,675	0.11
Total common stocks	**18,297,510**	**18,838,236**	**4.95**
American depository receipts			
Sweden			
Healthcare	322,997	260,325	0.07
Total American depository receipts	**322,997**	**260,325**	**0.07**
Total securities sold short, at fair value	**18,620,507**	**19,098,561**	**5.02**

Descriptions	Fair Value	Percentage of Net Assets
Derivative contracts – liabilities, at fair value		
Equity swaps		
United States		
Healthcare	5,583,588	1.47
Index	80,939	0.02
Total United States	**5,664,527**	**1.49**
Total derivative contracts – liabilities, at fair value	**5,664,527**	**1.49**

See accompanying notes to the unaudited interim consolidated financial statements.

Audited Consolidated Condensed Schedule of Investments as at 31 December 2022

(Expressed in United States Dollars)

Descriptions	Number of Shares	Cost	Fair Value	Percentage of Net Assets
Investments in securities, at fair value				
Common stocks				
United States				
Healthcare				
Prometheus Biosciences, Inc.	670,916	6,802,058	52,946,904	15.22
Rocket Pharmaceuticals, Inc.	2,400,755	8,188,796	46,982,775	13.50
Others*		124,096,539	118,157,365	33.96
Total United States		**139,087,393**	**218,087,044**	**62.68**
Netherlands				
Healthcare		4,368,486	5,345,551	1.54
Ireland				
Healthcare		4,099,988	2,981,309	0.86
Canada				
Healthcare		3,275,323	1,012,216	0.29
British Virgin Islands				
Healthcare		547,564	997,552	0.29
China				
Healthcare				
Ji Xing Pharmaceuticals Ltd.	541,205	216,482	600,738	0.17
Cayman Islands				
Financials		254,581	257,459	0.07
Healthcare		188,880	194,370	0.06
Total Cayman Islands		**443,461**	**451,829**	**0.13**
Bermuda				
Healthcare		260,330	208,004	0.06
Belgium				
Healthcare		165,629	32,919	0.01
Total common stocks		**152,464,656**	**229,717,162**	**66.03**

* No individual investment security or contract constitutes greater than 5 percent of net assets.

See accompanying notes to the unaudited interim consolidated financial statements.

Audited Consolidated Condensed Schedule of Investments (continued)
as at 31 December 2022
(Expressed in United States Dollars)

Descriptions	Number of Shares	Cost	Fair Value	Percentage of Net Assets
Investments in securities, at fair value (continued)				
Convertible preferred stocks				
United States				
Healthcare*		44,011,844	38,108,351	10.95
China				
Healthcare				
Ji Xing Pharmaceuticals Ltd.	10,599,945	14,824,185	16,433,316	4.73
Others		1,771,209	1,622,898	0.47
Total China		**16,595,394**	**18,056,214**	**5.20**
Switzerland				
Healthcare		1,729,518	1,768,384	0.51
Ireland				
Healthcare		116,545	117,696	0.03
Total convertible preferred stocks		**62,453,301**	**58,050,645**	**16.69**
American depository receipts				
United Kingdom				
Healthcare				
Immunocore Holdings plc	453,985	11,440,789	25,908,924	7.45
Others		1,064,820	813,170	0.23
Total United Kingdom		**12,505,609**	**26,722,094**	**7.68**
Netherlands				
Healthcare		8,996,563	9,918,906	2.85
Ireland				
Healthcare		893,338	961,567	0.28
Sweden				
Healthcare		339,248	528,539	0.15
Israel				
Healthcare		372,743	98,985	0.03
Total American depository receipts		**23,107,501**	**38,230,091**	**10.99**

* No individual investment security or contract constitutes greater than 5 percent of net assets.

See accompanying notes to the unaudited interim consolidated financial statements.

Audited Consolidated Condensed Schedule of Investments (continued) as at 31 December 2022

(Expressed in United States Dollars)

Descriptions	Number of Shares	Cost	Fair Value	Percentage of Net Assets
Investments in securities, at fair value (continued)				
Investment in private investment companies				
Ireland				
Healthcare		11,814,933	14,074,846	4.04
Total investment in private investment companies		**11,814,933**	**14,074,846**	**4.04**
Convertible notes				
China				
Healthcare				
Ji Xing Pharmaceuticals Ltd.	762,474	7,624,737	8,191,552	2.35
United States				
Healthcare		2,007,468	1,861,281	0.53
Total convertible notes		**9,632,205**	**10,052,833**	**2.88**
Total investments in securities, at fair value		**259,472,596**	**350,125,577**	**100.63**

See accompanying notes to the unaudited interim consolidated financial statements.

Audited Consolidated Condensed Schedule of Investments (continued)
as at 31 December 2022
(Expressed in United States Dollars)

Descriptions	Cost	Fair Value	Percentage of Net Assets
Derivative contracts – assets, at fair value			
Equity swaps			
United States			
Healthcare		16,781,963	4.83
British Virgin Islands			
Healthcare		2,097,803	0.60
Ireland			
Healthcare		206,563	0.06
Total equity swaps		**19,086,329**	**5.49**
Warrants			
Canada			
Healthcare	1,939,543	1,858,925	0.53
United States			
Healthcare	674,517	522,337	0.15
Cayman Islands			
Financials	599	58	0.00
Total warrants	**2,614,659**	**2,381,320**	**0.68**
Total derivative contracts – assets, at fair value	**2,614,659**	**21,467,649**	**6.17**

See accompanying notes to the unaudited interim consolidated financial statements.

Audited Consolidated Condensed Schedule of Investments (continued) as at 31 December 2022

(Expressed in United States Dollars)

Descriptions	Proceeds	Fair Value	Percentage of Net Assets
Securities sold short, at fair value			
Common stocks			
United States			
Healthcare	14,521,155	11,500,094	3.31
Netherlands			
Healthcare	293,711	221,800	0.06
Cayman Islands			
Financials	96,480	98,829	0.03
Healthcare	46,260	89,072	0.03
Total Cayman Islands	**142,740**	**187,901**	**0.06**
Total common stocks	**14,957,606**	**11,909,795**	**3.43**
American depository receipts			
Sweden			
Healthcare	450,321	528,539	0.15
Total American depository receipts	**450,321**	**528,539**	**0.15**
Total securities sold short, at fair value	**15,407,927**	**12,438,334**	**3.58**

Descriptions	Fair Value	Percentage of Net Assets
Derivative contracts – liabilities, at fair value		
Equity swaps		
United States		
Healthcare	7,041,281	2.02
Index	1,860,052	0.54
Total United States	**8,901,333**	**2.56**
Israel		
Healthcare	25,410	0.01
Total derivative contracts – liabilities, at fair value	**8,926,743**	**2.57**

See accompanying notes to the unaudited interim consolidated financial statements.

Unaudited Interim Consolidated Statement of Operations
For the six month periods ended 30 June 2023 and 30 June 2022
(Expressed in United States Dollars)

	1 January 2023 to 30 June 2023 (unaudited)	1 January 2022 to 30 June 2022 (unaudited)
Investment income		
Interest (net of withholding taxes of $nil; 30 June 2022: $nil)	1,089,563	95,611
Dividends (net of withholding taxes of $nil; 30 June 2022: $1,041)	455,581	603,135
Other	341,807	–
Total investment income	**1,886,951**	**698,746**
Expenses		
Management fees	2,115,840	1,889,306
Interest	1,106,575	132,354
Professional fees	388,034	378,758
Research costs	247,998	420,054
Audit fees	235,641	117,100
Administrative fees	199,914	160,113
Directors' fees	87,798	102,434
Dividends	–	2,372
Other expenses	234,829	146,595
Total expenses	**4,616,629**	**3,349,086**
Net investment income/(loss)	**(2,729,678)**	**(2,650,340)**
Realised and change in unrealised gain/(loss) on investments, derivatives and foreign currency transactions		
Net realised gain/(loss) on securities and foreign currency transactions	81,097,820	17,933,993
Net change in unrealised gain/(loss) on securities and foreign currency translation	(43,904,533)	(124,566,690)
Net realised gain/(loss) on derivative contracts	(544,139)	(2,150,440)
Net change in unrealised gain/(loss) on derivative contracts	(1,428,302)	7,569,273
Net realised and unrealised gain/(loss) on investments, derivatives and foreign currency transactions	**35,220,846**	**(101,213,864)**
Net increase/(decrease) in net assets resulting from operations	**32,491,168**	**(103,864,204)**

See accompanying notes to the unaudited interim consolidated financial statements.

Unaudited Interim Consolidated Statement of Changes in Net Assets
For the six month period ended 30 June 2023
(Expressed in United States Dollars)

	Ordinary Share Class	Non-Controlling Interest
Net assets, beginning of period	**326,079,521**	**21,844,468**
Operations		
Net investment income/(loss)	(2,729,678)	–
Net realised gain/(loss) on securities and foreign currency transactions	81,097,820	–
Net change in unrealised gain/(loss) on securities and foreign currency translation	(43,904,533)	–
Net realised gain/(loss) on derivative contracts	(544,139)	–
Net change in unrealised gain/(loss) on derivative contracts	(1,428,302)	–
Income/(loss) attributable to Non-Controlling Interest	(2,039,956)	2,039,956
Net change in net assets resulting from operations	**30,451,212**	**2,039,956**
Net assets, end of period	**356,530,733**	**23,884,424**

See accompanying notes to the unaudited interim consolidated financial statements.

Unaudited Interim Consolidated Statement of Changes in Net Assets
For the six month period ended 30 June 2022
(Expressed in United States Dollars)

	Ordinary Share Class	Performance Allocation Share Class	Total Shareholders' Funds
Net assets, beginning of period	**363,040,222**	**24,320,504**	**387,360,726**
Operations			
Net investment income/(loss)	(2,650,340)	–	(2,650,340)
Net realised gain/(loss) on securities and foreign currency transactions	17,933,993	–	17,933,993
Net change in unrealised gain/(loss) on securities and foreign currency translation	(124,566,690)	–	(124,566,690)
Net realised gain/(loss) on derivative contracts	(2,150,440)	–	(2,150,440)
Net change in unrealised gain/(loss) on derivative contracts	7,569,273	–	7,569,273
Performance Allocation	6,521,130	(6,521,130)	–
Net change in net assets resulting from operations	**(97,343,074)**	**(6,521,130)**	**(103,864,204)**
Net assets, end of period	**265,697,148**	**17,799,374**	**283,496,522**

See accompanying notes to the unaudited interim consolidated financial statements.

Unaudited Interim Consolidated Statement of Cash Flows
For the six month periods ended 30 June 2023 and 30 June 2022
(Expressed in United States Dollars)

	1 January 2023 to 30 June 2023 (unaudited)	1 January 2022 to 30 June 2022 (unaudited)
Cash flows from operating activities		
Net increase/(decrease) in net assets resulting from operations	32,491,168	(103,864,204)
Adjustments to reconcile net change in net assets resulting from operations to net cash provided by/(used in) operating activities:		
Net realised (gain)/loss on securities and foreign currency transactions	(81,097,820)	(17,933,993)
Net change in unrealised (gain)/loss on securities and foreign currency translation	43,904,533	124,566,690
Net realised (gain)/loss on derivative contracts	544,139	2,150,440
Net change in unrealised (gain)/loss on derivative contracts	1,428,302	(7,569,273)
Effect of exchange rate changes on cash and cash equivalents	(86,823)	–
Purchases of investments in securities	(62,998,246)	(74,873,499)
Proceeds from sales of investments in securities	126,303,452	102,920,476
Proceeds from securities sold short	20,627,975	18,317,735
Payments for securities sold short	(9,246,930)	(7,713,126)
Proceeds from derivative contracts	4,325,394	909,574
Payments for derivative contracts	(5,392,097)	(3,326,611)
Changes in operating assets and liabilities:		
Other assets	(162,824)	121,011
Due from investments	–	(2,020,197)
(Receivable from)/payable for unsettled trades	(2,799,071)	(100,744)
Due to brokers	(17,716,626)	(24,634,775)
Accrued expenses	(70,312)	10,108
Net cash provided by/(used in) operating activities	**50,054,214**	**6,959,612**
Cash flows from financing activities		
Net proceeds from issuance of shares	–	–
Performance Allocation distribution	–	–
Net cash provided by/(used in) financing activities	**–**	**–**
Net change in cash and cash equivalents	50,054,214	6,959,612
Cash, cash equivalents, and restricted cash, beginning of the period	**29,161,624**	**18,808,022**
Cash, cash equivalents, and restricted cash, end of the period	**79,215,838**	**25,767,634**
At 30 June 2023, the amounts categorised in cash, cash equivalents, and restricted cash include the following:		
Cash and cash equivalents	9,471,726	7,555,421
Due from brokers	69,744,112	18,212,213
Total	**79,215,838**	**25,767,634**
Supplemental disclosure of cash flow information		
Cash paid during the period for interest	1,149,630	135,420

See accompanying notes to the unaudited interim consolidated financial statements.

Notes to the Unaudited Interim Consolidated Financial Statements
For the six month period ended 30 June 2023
(Expressed in United States Dollars)

1. Nature of operations and summary of significant accounting policies

RTW Biotech Opportunities Ltd, formerly known as RTW Venture Fund Limited (the "Company"), is a publicly listed Guernsey non-cellular company limited by shares. The Company was originally incorporated in the State of Delaware, United States of America, and re-domiciled into Guernsey under the Companies Law on 2 October 2019 with registration number 66847 on the Guernsey Register of Companies. On 30 October 2019, all of the issued Ordinary Shares of the Company were listed and admitted to trading on the Specialist Fund Segment of the London Stock Exchange under the ticker symbol: RTW. Subsequently, on 6 August 2021, the Company's Ordinary Shares were admitted to trading on the Premium Segment of the London Stock Exchange with the additional ticker symbol: RTWG denoting the Sterling price. The original ticker, RTW, continues to denote the US Dollar price.

On 22 June 2023, the Company changed its name from "RTW Venture Fund Limited" to "RTW Biotech Opportunities Ltd".

On 1 December 2022 the Company changed its status for U.S. federal tax purposes from a publicly traded partnership to a corporation. The Group believes that the change in status will cause it to be treated as a passive foreign investment company. This change has been necessitated by recent changes to U.S. tax legislation due to come into effect from 1 January 2023. The Company established a new wholly owned subsidiary, RTW Venture Fund Operating Limited (the "Subsidiary"), to which it has transferred its right to the profits and losses attributable to the Group's portfolio of assets. This reorganisation has had no economic impact on shareholders. All the income and expenses of the Subsidiary are consolidated with the income and expenses of the Group. On 14 July 2023, the Subsidiary changed its name from "RTW Venture Fund Operating Limited" to "RTW Biotech Opportunities Operating Ltd.".

The Group seeks to use equity capital (from the net proceeds of any share issuance or, where appropriate, from the net proceeds of investment divestments or other related profits) to provide seed and additional growth capital to the private investments. To mitigate cash-drag, the uninvested portion is invested across public stocks largely replicating the public stock portfolios of RTW's existing US-based funds. The Group focuses on creating, building, and supporting world-class life sciences, biopharmaceutical and medical technology companies. The Group's investment objective is to generate attractive risk-adjusted returns through investments in securities, both equity and debt, long and short, of companies with a focus on the pharmaceutical sector.

Pursuant to an investment management agreement, the Group is managed by RTW Investments, LP, a Delaware limited partnership, to provide the Group with discretionary portfolio management, risk management services and certain other services. The Investment Manager is an investment adviser registered with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940.

Basis of presentation

The unaudited interim consolidated financial statements are expressed in United States Dollars. The unaudited interim consolidated financial statements which give a true and fair view and have been prepared in accordance with US generally accepted accounting principles ("US GAAP") and are in compliance with the Companies (Guernsey) Law, 2008. The entities comprised within the Group are investment companies and follow the accounting and reporting guidance in Financial Accounting Standards Board's ("FASB") Accounting Standards Codification Topic 946, Financial Services – Investment Companies.

The Directors consider that it is appropriate to adopt a going concern basis of accounting in preparing the unaudited interim consolidated financial statements. In reaching this assessment, the Directors have considered a wide range of information relating to present and future conditions including the balance sheets, future projections, cash flows and the longer-term strategy of the business.

Principles of consolidation

The unaudited interim consolidated financial statements include accounts of the Company consolidated with the accounts of the Subsidiary. All inter-group balances have been eliminated upon consolidation. The Subsidiary is incorporated in Guernsey.

Non-Controlling Interest

An affiliate of the Investment Manager, RTW Venture Performance LP, holds an interest in the Subsidiary. The Non-Controlling Interest captures both Performance Allocation and mark to market movements on the New Performance Allocation Share held by RTW Venture Performance LP in the Subsidiary. For the period ended 30 June 2023, the entirety of the income/(loss) attributable to Non-Controlling Interest was comprised of mark to market movements of Notional Ordinary Shares.

Cash, cash equivalents, and restricted cash

Cash represents cash deposits held at financial institutions. Cash equivalents include short-term highly liquid investments of sufficient credit quality that are readily convertible to known amounts of cash and have original maturities of three months or less. Cash equivalents are carried at cost plus accrued interest, which approximates fair value. Cash equivalents are held for the purpose of meeting short-term liquidity requirements, rather than for investment purposes. As at 30 June 2023 and 31 December 2022, the Group had no cash equivalents.

Restricted cash is subject to a legal or contractual restriction by third parties as well as a restriction as to withdrawal or use, including restrictions that require the funds to be used for a specified purpose and restrictions that limit the purpose for which the funds can be used. The Group considers cash pledged as collateral for securities sold short, cash collateral posted with counterparties for derivative contracts and further amounts due from brokers to be restricted cash, as outlined in Note 3.

Notes to the Unaudited Interim Consolidated Financial Statements (continued)
For the six month period ended 30 June 2023
(Expressed in United States Dollars)

1. Nature of operations and summary of significant accounting policies (continued)

Fair value – definition and hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the 'exit price') in an orderly transaction between market participants at the measurement date.

In determining fair value, the Group uses various valuation techniques. A fair value hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs are to be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Group.

Unobservable inputs reflect the Group's assumptions about the inputs market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is categorised into three levels based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Group has the ability to access. Valuation adjustments are not applied to Level 1 investments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these investments does not entail a significant degree of judgement.

Level 2 – Valuations based on inputs, other than quoted prices included in Level 1, that are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Investments in private investment companies measured using net asset value as a practical expedient are not categorized in the fair value hierarchy.

The availability of valuation techniques and observable inputs can vary from investment to investment and is affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgement. Those estimated values do not necessarily represent the amounts that may be ultimately realised due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Accordingly, the degree of judgement exercised by the Group in determining fair value is greatest for investments categorised in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Group's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Group uses prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many investments. This condition could cause an investment to be reclassified to a lower level within the fair value hierarchy.

Fair value – valuation techniques and inputs

Investments in securities and securities sold short

Listed investments

The Group values investments in securities including exchange traded funds and securities sold short that are freely tradable and are listed on a national securities exchange or reported on the NASDAQ national market at their closing sales price as of the valuation date. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorised in Level 1 of the fair value hierarchy. Securities traded on inactive markets or valued by reference to similar instruments or where a discount may be applied are categorised in Level 2 or 3 of the fair value hierarchy.

Unlisted investments

Unlisted investments are valued at fair value by the Directors following a detailed review and appropriate challenge of the valuations proposed by the Investment Manager. As part of their valuation process, the Investment Manager engages Independent Valuers to challenge their assessed fair value on certain unlisted investments. The Investment Manager's unlisted investment valuation policy applies to techniques consistent with the IPEV Guidelines.

The valuation techniques applied are either a market-based approach, an income approach such as discounted cash flows, or where available, a net asset value practical expedient approach. A combination of the valuation techniques mentioned may also be utilised. The IPEV Guidelines recognise that the price of a recent transaction, if resulting from an orderly transaction, generally represents fair value as at the transaction date and may be an appropriate starting point for estimating fair value at subsequent measurement dates. Consideration is given to the facts and circumstances as at the subsequent measurement date including changes in the market and/or performance of the investee company. Milestone analysis is used where appropriate to incorporate operational progress at the investee company level. In addition, a trigger event such as a subsequent round of financing by the investee company would influence the market technique used to calibrate fair value at the measurement date.

1. Nature of operations and summary of significant accounting policies (continued)

Fair value – valuation techniques and inputs (continued)

Investments in securities and securities sold short (continued)

The market approach utilises guideline public companies relying on projected revenues to derive an indicative enterprise value. Due to the nature of the investments, being in the early stages of development, the projected revenues are used as a proxy for stable state revenue. A selected multiple is then applied based on the observed market multiples of the guideline public companies. To reflect the risk associated with the achievement of the projected revenues and the early development stage of each of the investments, the indicative enterprise value is discounted at an appropriate rate.

The income approach utilises the discounted cash flow method. Projected cash flows for each investment are discounted to determine an assumed enterprise value.

Where applicable, the indicative enterprise value has been determined using a back-solve model based on the pricing of the most recent round of financing. The internal rate of return for each investment is compared to the selected venture capital rate applied in the market approach to assess the reasonableness of the indicated value implied by each financing round. The derived enterprise value is allocated to the equity class on either a fully diluted basis or using an option pricing model. The resulting indicative value on a per share basis is then multiplied by the number of shares to derive the fair market value.

American depository receipts

The Group values investments in American depositary receipts that are freely tradable and are listed on a national securities exchange or reported on the NASDAQ national market at their last reported sales price as of the valuation date. These investments are categorised in Level 1 of the fair value hierarchy.

Convertible bonds

Convertible bonds are recorded at fair value using valuation techniques based on observable inputs. These instruments are generally categorised in Level 2 of the fair value hierarchy. In instances where significant inputs are unobservable, convertible bonds are categorised in Level 3 of the fair value hierarchy.

Convertible notes

The Group values investments in convertible notes in accordance with the unlisted investments section above. As of 30 June 2023, these investments are all categorised in Level 3 of the fair value hierarchy.

Convertible preferred stock

The Group values Level 1 investments in convertible preferred stock that are listed on a national securities exchange at their closing sales price as of the valuation date. Level 3 investments in convertible preferred stock are valued in accordance with the unlisted investments section above. As of 30 June 2023, these investments are categorised in Level 1 and Level 3 of the fair value hierarchy.

Investment in private investment companies

The Group values investment in private investment companies using the net asset values provided by the underlying private investment companies as a practical expedient. The Group applies the practical expedient to its private investment companies on an investment-by-investment basis and consistently with the Group's entire position in a particular investment, unless it is probable that the Group will sell a portion of an investment at an amount different from the net asset value of the investment.

Private investment in public equity

Private investment in public equity ("PIPE") cannot be offered for sale to the public until the issuer complies with certain statutory or contractual requirements. Such securities traded on inactive markets or valued by reference to similar instruments or where a discount may be applied are generally categorised in Level 2.

Derivative contracts

Equity swaps

Equity swaps may be centrally cleared or traded on the over-the-counter market. The fair value of equity swaps is calculated based on the terms of the contract and current market data, such as changes in fair value of the reference asset. The fair value of equity swaps is generally categorised in Level 2 of the fair value hierarchy.

Warrants

Warrants that are listed on major securities exchanges are valued at their last reported sales price as of the valuation date. The fair value of over-the-counter ("OTC") warrants is determined using the Black-Scholes option pricing model, a valuation technique that follows the income approach. This pricing model takes into account the contract terms (including maturity) as well as multiple inputs, including time value, implied volatility, equity prices, interest rates and currency rates. Warrants are categorised in all levels of the fair value hierarchy.

Notes to the Unaudited Interim Consolidated Financial Statements (continued)
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1. Nature of operations and summary of significant accounting policies (continued)

Derivative contracts (continued)

Contingent value rights

Contingent value rights that are not traded on an organized facility are valued using a market approach or such other analysis and information as the Group may determine.

Fair value – valuation processes

The Group establishes valuation processes and procedures to ensure that the valuation techniques are fair and consistent, and valuation inputs are supportable. The Group designates the Investment Manager's Valuation Committee to oversee the entire valuation process of the Group's investments. The Valuation Committee comprises various members of the Investment Manager, including those separate from the Group's portfolio management and trading functions, and reports to the Board.

The Valuation Committee is responsible for developing the Group's written valuation processes and procedures, conducting periodic reviews of the valuation policies, and evaluating the overall fairness and consistent application of the valuation policies.

The Investment Manager's Valuation Committee meets on a monthly basis or more frequently, as needed, to determine the valuations of the Group's Level 3 investments. Valuations determined by the Valuation Committee are required to be supported by market data, third-party pricing sources, industry-accepted pricing models, counterparty prices or other methods they deem to be appropriate, including the use of internal proprietary pricing models.

The Group periodically tests its valuations of Level 3 investments by performing back-testing. Back-testing involves the comparison of sales proceeds of those investments to the most recent fair values reported and, if necessary, uses the findings to recalibrate its valuation procedures.

On a regular basis, the Group engages the services of third-party valuation firms, the Independent Valuers, to perform an independent review of the valuation of the Group's Level 3 investments and the Group may adjust its valuations based on the recommendations from the Investment Manager's Valuation Committee.

Translation of foreign currency

Assets and liabilities denominated in foreign currencies are translated into United States Dollar amounts at the period-end exchange rates. Transactions denominated in foreign currencies, including purchases and sales of investments, and income and expenses, are translated into United States Dollar amounts on the transaction date. Adjustments arising from foreign currency transactions are reflected in the unaudited interim consolidated statement of operations.

The Group does not isolate that portion of the results of operations arising from the effect of changes in foreign exchange rates on investments from fluctuations arising from changes in market prices of investments held. Such fluctuations are included in net realised and change in unrealised gain/(loss) on securities, derivatives and foreign currency transactions in the unaudited interim consolidated statement of operations.

Reported net realised gain/(loss) from foreign currency transactions arise from sales of foreign currencies; currency gains or losses realised between the trade and settlement dates on securities transactions; and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Group's books and the United States Dollar equivalent of the amounts actually received or paid.

Net change in unrealised gain/(loss) from foreign currency translation of assets and liabilities arises from changes in the fair values of assets and liabilities, other than investments in securities at the end of the period, resulting from changes in exchange rates.

Investment transactions and related investment income

Investment transactions are accounted for on a trade date basis. Realised gains and losses on investment transactions are determined using cost calculated on first in, first out basis.

Dividends are recorded on the ex-dividend date and interest is recognised on the accrual basis.

Withholding taxes on foreign dividends have been provided for in accordance with the Group's understanding of the applicable country's rules and rates.

1. Nature of operations and summary of significant accounting policies (continued)

Offsetting of amounts related to certain contracts

Amounts due from and to brokers are presented on a net basis, by counterparty, to the extent the Group has the legal right to offset the recognised amounts and intends to settle on a net basis.

The Group has elected not to offset fair value amounts recognised for cash collateral receivables and payables against fair value amounts recognised for derivative positions executed with the same counterparty under the same master netting arrangement. At 30 June 2023, the Group had cash collateral receivables of $16,116,362 (31 December 2022: $16,384,706) (see Note 3) with derivative counterparties under the same master netting arrangement.

Income taxes

On 1 December 2022, the Company changed its status for US federal tax purposes from a publicly traded partnership ("PTP") to a corporation. This change by the Board was necessitated due to recent changes to US tax legislation that came into effect on 1 January 2023. Pursuant to this, the Company established the Subsidiary, a partnership for US federal tax purposes, to which the Company transferred its portfolio of assets and the attributable profits and losses. The Company, as a corporation, is expected to be treated as a Passive Foreign Investment Company ("PFIC") for US federal tax purposes.

The Company and Subsidiary are exempt from taxation in Guernsey and are each charged an annual exemption fee of £1,200. The Group will only be liable to tax in Guernsey in respect of income arising or accruing from a Guernsey source, other than from a relevant bank deposit. It is not anticipated that such Guernsey source taxable income will arise. The Group is managed so as not to be resident in the UK for UK tax purposes.

The Group recognises tax benefits of uncertain tax positions only where the position is more likely than not to be sustained assuming examination by a tax authority based on the technical merits of the position. In evaluating whether a tax position has met the recognition threshold, the Group must presume the position will be examined by the appropriate taxing authority and that taxing authority has full knowledge of all relevant information. A tax position meeting the more likely than not recognition threshold is measured to determine the amount of benefit to recognise in the Group's unaudited interim consolidated financial statements. Income tax and related interest and penalties would be recognised as a tax expense in the unaudited interim consolidated statement of operations if the tax position was deemed to meet the more likely than not threshold.

The Investment Manager has analysed the Group's tax positions and has concluded no liability for unrecognised tax benefits should be recorded related to uncertain tax positions. Further, management is not aware of any tax positions for which it is reasonably possible the total amounts of unrecognised tax benefits will significantly change in the next twelve months.

The Company and the Subsidiary each file income tax returns in the US federal jurisdiction and, as applicable, in US state or local jurisdictions, or non-US jurisdictions. Generally, the Group was subject to income tax examinations by major taxing authorities for each tax period since inception. Based on its analysis, the Group determined that it had not incurred any liability for unrecognised tax benefits as of 30 June 2023 or 31 December 2022.

Use of estimates

Preparing unaudited interim consolidated financial statements in accordance with US GAAP requires management to make estimates and assumptions in determining the reported amounts of assets and liabilities, including the fair value of investments, and disclosure of contingent assets and liabilities as of the date of the unaudited interim consolidated financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

New accounting pronouncements

In June 2022, the FASB issued ASU 2022-03, ASC Topic 820, "Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions". The amendment clarifies that contractual sale restrictions should not be considered when measuring the equity security's fair value and prohibits an entity from recognizing a contractual sale restriction as a separate unit of account. The amendments in this ASU are effective for the Group beginning after 15 December 2024. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance. The Group has chosen to early adopt this pronouncement as of 1 January 2023 and does not expect this guidance to have a material impact on its consolidated financial statements and related disclosures.

Notes to the Unaudited Interim Consolidated Financial Statements (continued)
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2. Fair value measurements

The Group's assets and liabilities recorded at fair value have been categorised based upon a fair value hierarchy as described in the Group's significant accounting policies in Note 1.

The following table presents information about the Group's assets and liabilities measured at fair value as of 30 June 2023:

	Level 1 (unaudited)	Level 2 (unaudited)	Level 3 (unaudited)	Investments measured at net asset value* (unaudited)	Total (unaudited)
Assets (at fair value)					
Investments in securities					
Common stocks	185,754,591	1,265,582	771,265	–	187,791,438
Convertible preferred stocks	2,164,152	–	54,888,116	–	57,052,268
American depository receipts	40,906,439	–	–	–	40,906,439
Convertible notes	–	–	18,542,746	–	18,542,746
Investment in private investment companies	–	–	–	15,086,772	15,086,772
Total investments in securities	**228,825,182**	**1,265,582**	**74,202,127**	**15,086,772**	**319,379,663**
Derivative contracts					
Equity swaps	–	14,644,637	–	–	14,644,637
Warrants	–	1,828,186	285,166	–	2,113,352
Contingent value rights	–	541,706	–	–	541,706
Total derivative contracts	**–**	**17,014,529**	**285,166**	**–**	**17,299,695**
	228,825,182	**18,280,111**	**74,487,293**	**15,086,772**	**336,679,358**
Liabilities (at fair value)					
Securities sold short					
Common stocks	18,788,966	49,270	–	–	18,838,236
American depository receipts	260,325	–	–	–	260,325
Total securities sold short	**19,049,291**	**49,270**	**–**	**–**	**19,098,561**
Derivative contracts					
Equity swaps	–	5,664,527	–	–	5,664,527
Total derivative contracts	**–**	**5,664,527**	**–**	**–**	**5,664,527**
	19,049,291	**5,713,797**	**–**	**–**	**24,763,088**

* The Group's investment in private investment companies that are valued at their net asset value are not categorized within the fair value hierarchy.

2. Fair value measurements (continued)

The following table presents information about the Group's assets and liabilities measured at fair value as of 31 December 2022:

	Level 1 (audited)	Level 2 (audited)	Level 3 (audited)	Investments measured at net asset value* (audited)	Total (audited)
Assets (at fair value)					
Investments in securities					
Common stocks	225,817,734	534,871	3,364,557	–	229,717,162
Convertible preferred stocks	117,696	–	57,932,949	–	58,050,645
American depository receipts	38,230,091	–	–	–	38,230,091
Investment in private investment companies	–	–	–	14,074,846	14,074,846
Convertible notes	–	–	10,052,833	–	10,052,833
Total investments in securities	**264,165,521**	**534,871**	**71,350,339**	**14,074,846**	**350,125,577**
Derivative contracts					
Equity swaps	–	19,086,329	–	–	19,086,329
Warrants	–	1,904,409	476,911	–	2,381,320
Total derivative contracts	**–**	**20,990,738**	**476,911**		**21,467,649**
	264,165,521	**21,525,609**	**71,827,250**	**14,074,846**	**371,593,226**
Liabilities (at fair value)					
Securities sold short					
Common stocks	11,810,966	98,829	–	–	11,909,795
American depository receipts	528,539	–	–	–	528,539
Total securities sold short	**12,339,505**	**98,829**	**–**		**12,438,334**
Derivative contracts					
Equity swaps	–	8,926,743	–	–	8,926,743
Total derivative contracts	**–**	**8,926,743**	**–**	**–**	**8,926,743**
	12,339,505	**9,025,572**	**–**	**–**	**21,365,077**

* The Group's investment in private investment companies that are valued at their net asset value are not categorized within the fair value hierarchy.

Transfers between Levels 2 and 3 generally relate to whether significant relevant observable inputs are available for the fair value measurements in their entirety. See Note 1 for additional information related to the fair value hierarchy and valuation techniques and inputs. For the period ended 30 June 2023, the Group had net transfers into Level 2 of $161,322 from Level 3 due to conversion into publicly traded common stocks subject to an unexpired 180-day lock-up as at 30 June 2023 (for the year ended 31 December 2022: $4,555,194) and transfers into Level 1 of $9,331,273 from Level 3 due to conversion into publicly traded common stocks (for the year ended 31 December 2022: $nil). Transfers between levels are deemed to occur at period/year end.

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2. Fair value measurements (continued)

The following tables summarise the valuation techniques and significant unobservable inputs used for the Group's investments that are categorised within Level 3 of the fair value hierarchy as of 30 June 2023 and 31 December 2022:

	Fair value at 30 June 2023 (unaudited)	Valuation techniques	Significant unobservable inputs	Range of inputs
Assets (at fair value)				
Investments in securities				
Convertible preferred stocks	44,551,292	Discounted cash flow	WACC	15% – 41%
		and/or market approach	Revenue multiples	2.5x – 4.0x
			Market step-up multiple	0.7x – 1.3x
			Market rate of returns	(20)% – 25%
	7,346,103	Price of most recent funding round	n/a	n/a
	2,990,721	Probability weighted expected return method ("PWERM")	WACC	14% – 19%
			Revenue multiples	4.0x
			Market step-up multiple	0.9x – 1.6x
			Market rate of returns	(30)% – (5)%
			Recovery rate	3%
Convertible notes	10,691,854	Discounted cash flow	WACC	15%
		and/or market approach	Revenue multiples	4.0x
			Market step-up multiple	0.7x – 1.1x
			Market rate of returns	(10)% – 0%
	7,701,142	Price of most recent funding round	n/a	n/a
	149,750	PWERM	Market rate of returns	(30)% – 0%
			Recovery rate	3%
Common stocks	771,116	Discounted cash flow	WACC	15%
		and/or market approach	Revenue multiples	0.2x – 4.0x
			Market step-up multiple	0.7x – 1.1x
			Market rate of returns	(10)% – 0%
	149	Recent transaction price	n/a	n/a
Total investments in securities	**74,202,127**			
Derivative contracts				
Warrants	285,166	Discounted cash flow,	WACC	33% – 37%
		Market approach,	Revenue multiple	4.0x
		and/or option pricing model	Market rate of returns	(13)% – 3%
			Expected volatility	43% – 50%
Total derivative contracts	**285,166**			

2. Fair value measurements (continued)

	Fair value at 31 December 2022 (audited)	Valuation techniques	Significant unobservable inputs	Range of inputs
Assets (at fair value)				
Investments in securities				
Convertible preferred stocks	50,023,996	Discounted cash flow	WACC	13% – 33%
		and/or market approach	Revenue multiples	2.8x – 4.0x
			Market step-up multiple	0.7x – 1.5x
			Market rate of returns	-30% – 20%
	7,908,953	Price of most recent funding round	n/a	n/a
Convertible notes	8,772,349	Discounted cash flow	WACC	13%
		and/or market approach	Revenue multiples	4.0x
			Market step-up multiple	0.7x – 1.1x
			Market rate of returns	0%
	1,280,484	PWERM	Market rate of returns Recovery rate	-30% 0% – 50%
Common stocks	1,208,299	Discounted cash flow	WACC	13%
		and/or market approach	Revenue multiples Market step-up multiple	0.2x – 4.0x 0.7x – 1.1x
			Market rate of returns	-10%
	2,156,109	PWERM	Probability of business combination	95%
	149	Price of most recent funding round	n/a	n/a
Total investments in securities	**71,350,339**			
Derivative contracts				
Warrants	315,589	Discounted cash flow,	WACC	33%
		Market approach,	Revenue multiple	4.0x
		and/or option pricing model	Market rate of returns Expected volatility	10% 53%
	161,322	PWERM	Expected volatility	25%
Total derivative contracts	**476,911**			

The significant unobservable inputs used in the fair value measurements of Level 3 common stock, convertible preferred stocks, convertible notes, and warrants include, but are not limited to, WACC, revenue and/or earnings multiple, market rate of return, and expected volatility. Increases in the WACC in isolation would result in a lower fair value for the security, and vice versa. Increases in multiples and/or market rate of returns in isolation would result in a higher fair value of the security, and vice versa. A change in volatility in isolation could result in a higher or lower fair value for the security.

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2. Fair value measurements (continued)

The below table presents additional information about Level 3 assets and liabilities measured at fair value. Both observable and unobservable inputs may be used to determine the fair value of positions that the Group has classified within the Level 3 category. As a result, the unrealised gains and losses for assets and liabilities within the Level 3 category may include changes in fair value that were attributable to both observable and unobservable inputs.

Changes in Level 3 assets and liabilities measured at fair value for the period ended 30 June 2023 were as follows:

	Balance beginning 1 January 2023 (unaudited)	Realised gains/ (losses)(a) (unaudited)	Change in Unrealised gains/ (losses)[a] (unaudited)	Purchases (unaudited)	Sales (unaudited)	Transfers into/ (from) Level 3* (unaudited)	Ending balance 30 June 2023 (unaudited)
Assets (at fair value)							
Investments in securities							
Common stocks	3,364,557	–	(437,183)	–	–	(2,156,109)	771,265
Convertible preferred stocks	57,932,949	–	(2,059,571)	6,189,902	–	(7,175,164)	54,888,116
Convertible notes	10,052,833	–	(1,394,121)	9,884,034	–	–	18,542,746
Total investments in securities	**71,350,339**	**–**	**(3,890,875)**	**16,073,936**	**–**	**(9,331,273)**	**74,202,127**
Derivative contracts							
Warrants	476,911	–	(30,423)	–	–	(161,322)	285,166
Total derivative contracts	**476,911**	**–**	**(30,423)**	**–**	**–**	**(161,322)**	**285,166**

* Includes conversion of convertible bonds into convertible preferred stock and convertible notes.

Changes in Level 3 assets and liabilities measured at fair value for the year ended 31 December 2022 were as follows:

	Balance beginning 1 January 2022 (audited)	Realised gains/ (losses)[a] (audited)	Change in Unrealised gains/ (losses)[a] (audited)	Purchases (audited)	Sales (audited)	Transfers into/ (from) Level 3[b] (audited)	Ending balance 31 December 2022 (audited)
Assets (at fair value)							
Investments in securities							
Convertible preferred stocks	67,177,270	–	(17,555,053)	12,142,203	–	(3,831,471)	57,932,949
Common stocks	1,943,967	–	(664,647)	2,085,237	–	–	3,364,557
Convertible notes	–	–	420,628	8,195,772	–	1,436,433	10,052,833
Convertible bonds	723,723	–	–	1,436,433	–	(2,160,156)	–
Total investments in securities	**69,844,960**	**–**	**(17,799,072)**	**23,859,645**	**–**	**(4,555,194)**	**71,350,339**
Derivative contracts							
Warrants	134,008	–	76,306	266,597	–	–	476,911
Total derivative contracts	**134,008**	**–**	**76,306**	**266,597**	**–**	**–**	**476,911**

(a) Realised and unrealised gains and losses are included in net realised and change in unrealised gain/(loss) on investments, derivatives and foreign currency transactions in the unaudited interim consolidated statement of operations.

(b) Conversions of preferred stock into common stock.

2. Fair value measurements (continued)

Changes in Level 3 unrealised gains and losses during the period for assets still held at period end were as follows:

	30 June 2023 (unaudited)	31 December 2022 (audited)
Common stocks	(16,125)	(664,647)
Convertible notes	(1,294,842)	420,628
Convertible preferred stocks	(1,974,247)	(13,404,700)
Warrants	(30,423)	76,306
Change in unrealised gains and losses during the period for assets still held at period end	**(3,315,637)**	**(13,572,413)**

Total realised gains and losses and unrealised gains and losses in the Group's investment in securities, derivative contracts and securities sold short are made up of the following gain and loss elements:

	30 June 2023 (unaudited)	31 December 2022 (audited)
Realised gains	101,384,363	47,604,728
Realised losses	(20,830,682)	(41,995,983)
Net realised gain on securities, derivative contracts and securities sold short	**80,553,681**	**5,608,745**

	30 June 2023 (unaudited)	31 December 2022 (audited)
Change in unrealised gains	54,511,837	112,585,347
Change in unrealised losses	(99,844,672)	(152,339,558)
Net change in unrealised gain/(loss) on securities, derivative contracts and securities sold short	**(45,332,835)**	**(39,754,211)**

As at 30 June 2023 the Group had commitments (subject to completion of certain parameters) to certain investments totalling $5,628,584 (31 December 2022: $2,544,486).

3. Due to/from brokers

Due to/from brokers includes cash balances held with brokers and collateral on derivative transactions. Amounts due from brokers may be restricted to the extent that they serve as deposits for securities sold short or cash posted as collateral for derivative contracts.

As at 30 June 2023, due from brokers totalled $69,744,112 (31 December 2022: $22,195,456). Included within due from brokers is $53,627,750 (31 December 2022: $5,810,750) which can be used for investment. The Group pledged cash collateral to counterparties to over-the-counter derivative contracts of $16,116,362 (31 December 2022: $16,384,706) which is included in due from brokers.

In the normal course of business, substantially all of the Group's securities transactions, money balances, and security positions are transacted with the Group's prime brokers and counterparties, Goldman Sachs & Co. LLC, Cowen Financial Products, LLC, UBS AG, Bank of America Merrill Lynch, Morgan Stanley & Co. LLC, Jefferies & Co. and J.P. Morgan Securities, LLC. The Group is subject to credit risk to the extent any broker with which it conducts business is unable to fulfil contractual obligations on its behalf. The Group's management monitors the financial condition of such brokers and does not anticipate any losses from these counterparties.

Notes to the Unaudited Interim Consolidated Financial Statements (continued)
For the six month period ended 30 June 2023
(Expressed in United States Dollars)

4. Derivative contracts

In the normal course of business, the Group utilizes derivative contracts in connection with its proprietary trading activities. Investments in derivative contracts are subject to additional risks that can result in a loss of all or part of an investment. The Group's derivative activities and exposure to derivative contracts are classified by the primary underlying risk, equity price risk and foreign currency exchange rate risk. In addition to its primary underlying risk, the Group is also subject to additional counterparty risk due to the inability of its counterparties to meet the terms of their contracts.

Warrants

The Group may receive warrants from its portfolio companies upon an investment in the debt or equity of a portfolio company. The warrants provide the Group with exposure and potential gains upon equity appreciation of the portfolio company's share price.

The value of a warrant has two components: time value and intrinsic value. A warrant has a limited life and expires on a certain date. As time to the expiration date of a warrant approaches, the time value of a warrant will decline. In addition, if the stock underlying the warrant declines in price, the intrinsic value of an "in the money" warrant will decline. Further, if the price of the stock underlying the warrant does not exceed the strike price of the warrant on the expiration date, the warrant will expire worthless. As a result, there is the potential for the Group to lose its entire investment in a warrant.

The Group is exposed to counterparty risk from the potential failure of an issuer of warrants to settle its exercised warrants. The maximum risk of loss from counterparty risk to the Group is the fair value of the contracts and the purchase price of the warrants. The Group considers the effects of counterparty risk when determining the fair value of its investments in warrants.

Equity swap contracts

The Group is subject to equity price risk in the normal course of pursuing its investment objectives. The Group may enter into equity swap contracts either to manage its exposure to the market or certain sectors of the market, or to create exposure to certain equities to which it is otherwise not exposed.

Equity swap contracts involve the exchange by the Group and a counterparty of their respective commitments to pay or receive a net amount based on the change in the fair value of a particular security or index and a specified notional amount.

Volume of derivative activities

The Group considers the average month-end notional amounts during the period, categorised by primary underlying risk, to be representative of the volume of its derivative activities during the period ended 30 June 2023:

	30 June 2023 (unaudited)		31 December 2022 (audited)	
	Long exposure	Short exposure	Long exposure	Short exposure
Primary underlying risk	Notional amounts	Notional amounts	Notional amounts	Notional amounts
Equity price				
Equity swaps	68,199,619	59,402,138	48,774,292	56,273,944
Warrants[(a)]	2,650,211	–	4,024,470	–
Contingent value rights	541,706	–	–	–
	71,391,536	**59,402,138**	**52,798,762**	**56,273,944**

(a) Notional amounts presented for warrants are based on the fair value of the underlying shares as if the warrants were exercised at each respective month end date.

Impact of derivatives on the unaudited interim consolidated statement of assets and liabilities and unaudited interim consolidated statement of operations

The following tables identify the fair value amounts of derivative instruments included in the unaudited interim consolidated statement of assets and liabilities as derivative contracts, categorised by primary underlying risk, at 30 June 2023 and 31 December 2022. The following table also identifies the gain and loss amounts included in the unaudited interim consolidated statement of operations as net realised gain/(loss) on derivative contracts and net change in unrealised gain/(loss) on derivative contracts, categorised by primary underlying risk, for the period ended 30 June 2023 and 30 June 2022.

	30 June 2023 (unaudited)			
Primary underlying risk	Derivative assets	Derivative liabilities	Realised gain/(loss)	Change in unrealised gain/(loss)
Equity price				
Equity swaps	14,644,637	5,664,527	(543,767)	(1,179,476)
Warrants	2,113,352	–	(372)	(790,532)
Contingent value rights	541,706	–	–	541,706
	17,299,695	**5,664,527**	**(544,139)**	**(1,428,302)**

	31 December 2022 (audited)		30 June 2022 (unaudited)	
Primary underlying risk	Derivative assets	Derivative liabilities	Realised gain/(loss)	Change in unrealised gain/(loss)
Equity price				
Equity swaps	19,086,329	8,926,743	(2,150,440)	7,759,459
Warrants	2,381,320	–	–	(190,186)
	21,467,649	**8,926,743**	**(2,150,440)**	**7,569,273**

5. Securities lending agreements

The Group has entered into securities lending agreements with its prime brokers. From time to time, the prime brokers lend securities on the Group's behalf. As of 30 June 2023 and 31 December 2022, no securities were loaned and no collateral was received.

6. Offsetting assets and liabilities

The Group is required to disclose the impact of offsetting assets and liabilities represented in the unaudited interim consolidated statement of assets and liabilities to enable users of the unaudited interim consolidated financial statements to evaluate the effect or potential effect of netting arrangements on its financial position for recognised assets and liabilities. These recognised assets and liabilities are financial instruments and derivative instruments that are either subject to an enforceable master netting arrangement or similar agreement or meet the following right of setoff criteria: the amounts owed by the Group to another party are determinable, the Group has the right to offset the amounts owed with the amounts owed by the other party, the Group intends to offset and the Group's right of setoff is enforceable by law.

As of 30 June 2023 and 31 December 2022, the Group held financial instruments and derivative instruments that were eligible for offset in the unaudited interim consolidated statement of assets and liabilities and are subject to a master netting arrangement. The master netting arrangement allows the counterparty to net applicable collateral held on behalf of the Group against applicable liabilities or payment obligations of the Group to the counterparty. These arrangements also allow the counterparty to net any of its applicable liabilities or payment obligations they have to the Group against any collateral sent to the Group.

As discussed in Note 1, the Group has elected not to offset assets and liabilities in the unaudited interim consolidated statement of assets and liabilities. The following table presents the potential effect of netting arrangements for asset derivative contracts presented in the unaudited interim consolidated statement of assets and liabilities:

				30 June 2023 (unaudited) Gross amounts not offset in the unaudited interim consolidated statement of assets and liabilities		
Description	Gross amounts of recognised assets	Gross amounts offset in the unaudited interim consolidated statement of assets and liabilities	Gross amounts of recognised assets and liabilities	Financial instruments[a]	Cash collateral received[b]	Net amount
Equity swaps						
Bank of America Merrill Lynch	7,706,960	–	7,706,960	(753,861)	–	6,953,099
Cowen Financial Products, LLC	4,279,889	–	4,279,889	(1,803,874)	–	2,476,015
Morgan Stanley & Co. LLC	2,313,308	–	2,313,308	(2,136,372)	–	176,936
Jefferies & Co.	344,480	–	344,480	(344,480)	–	–
	14,644,637	**–**	**14,644,637**	**(5,038,587)**	**–**	**9,606,050**

				31 December 2022 (audited) Gross amounts not offset in the consolidated statement of assets and liabilities		
Description	Gross amounts of recognised assets	Gross amounts offset in the consolidated statement of assets and liabilities	Gross amounts of recognised assets and liabilities	Financial instruments[a]	Cash collateral received[b]	Net amount
Equity swaps						
Bank of America Merrill Lynch	12,929,367	–	12,929,367	(3,983,939)	–	8,945,428
Cowen Financial Products, LLC	3,239,591	–	3,239,591	(1,224,200)	–	2,015,391
Morgan Stanley & Co. LLC	2,797,503	–	2,797,503	(2,797,503)	–	–
Jefferies & Co.	119,868	–	119,868	(119,868)	–	–
	19,086,329	**–**	**19,086,329**	**(8,125,510)**	**–**	**10,960,819**

(a) Amounts related to master netting agreements (e.g. ISDA), determined by the Group to be legally enforceable in the event of default and if certain other criteria are met in accordance with applicable offsetting accounting guidance but were not offset due to management's accounting policy election.
(b) Amounts related to master netting agreements and collateral agreements determined by the Group to be legally enforceable in the event of default, but certain other criteria are not met in accordance with applicable offsetting accounting guidance. The collateral amounts may exceed the related net amounts of financial assets and liabilities presented in the unaudited interim consolidated statement of assets and liabilities. If this is the case, the total amount reported is limited to the net amounts of financial assets and liabilities with that counterparty.

Notes to the Unaudited Interim Consolidated Financial Statements (continued)
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6. Offsetting assets and liabilities (continued)

The following tables present the potential effect of netting arrangements for liability derivative contracts presented in the unaudited interim consolidated statement of assets and liabilities as of 30 June 2023 and audited consolidated statement of assets and liabilities 31 December 2022:

				30 June 2023 (unaudited) Gross amounts not offset in the unaudited interim consolidated statement of assets and liabilities		
Description	Gross amounts of recognised liabilities	Gross amounts offset in the unaudited interim consolidated statement of assets and liabilities	Gross amounts of recognised liabilities	Financial instruments[a]	Cash collateral pledged[b]	Net amount
Equity swaps						
Morgan Stanley & Co. LLC	2,136,372	–	2,136,372	(2,136,372)	–	–
Cowen Financial Products, LLC	1,803,874	–	1,803,874	(1,803,874)	–	–
Bank of America Merrill Lynch	753,861	–	753,861	(753,861)	–	–
Jefferies & Co.	970,420	–	970,420	(344,480)	(625,940)	–
	5,664,527	**–**	**5,664,527**	**(5,038,587)**	**(625,940)**	**–**

				31 December 2022 (audited) Gross amounts not offset in the consolidated statement of assets and liabilities		
Description	Gross amounts of recognised liabilities	Gross amounts offset in the consolidated statement of assets and liabilities	Gross amounts of recognised liabilities	Financial instruments[a]	Cash collateral pledged[b]	Net amount
Equity swaps						
Bank of America Merrill Lynch	3,983,939	–	3,983,939	(3,983,939)	–	–
Morgan Stanley & Co. LLC	3,372,143	–	3,372,143	(2,797,503)	(574,640)	–
Cowen Financial Products, LLC	1,224,200	–	1,224,200	(1,224,200)	–	–
Jefferies & Co.	336,931	–	336,931	(119,868)	(217,063)	–
UBS AG	9,530	–	9,530	–	(9,530)	–
	8,926,743	**–**	**8,926,743**	**(8,125,510)**	**(801,233)**	**–**

(a) Amounts related to master netting agreements (e.g. ISDA), determined by the Group to be legally enforceable in the event of default and if certain other criteria are met in accordance with applicable offsetting accounting guidance but were not offset due to management's accounting policy election.
(b) Amounts related to master netting agreements and collateral agreements determined by the Group to be legally enforceable in the event of default, but certain other criteria are not met in accordance with applicable offsetting accounting guidance. The collateral amounts may exceed the related net amounts of financial assets and liabilities presented in the unaudited interim consolidated statement of assets and liabilities. If this is the case, the total amount reported is limited to the net amounts of financial assets and liabilities with that counterparty.

7. Securities sold short

The Group is subject to certain inherent risks arising from its investing activities of selling securities short. The ultimate cost to the Group to acquire these securities may exceed the liability reflected in these unaudited interim consolidated financial statements.

8. Risk factors

Some underlying investments may be deemed to be highly speculative investments and are not intended as a complete investment program. The Group is designed only for sophisticated persons who are able to bear the economic risk of the loss of their entire investment in the Group and who have a limited need for liquidity in their investment. The following risks are applicable to the Group:

Market risk

Certain events particular to each market in which Portfolio Companies conduct operations, as well as general economic and political conditions, may have a significant negative impact on the operations and profitability of the Group's investments and/or on the fair value of the Group's investments. Such events are beyond the Group's control, and the likelihood they may occur and the effect on the Group cannot be predicted. The Group intends to mitigate market risk generally by investing in Medtech and Biotech Companies in various geographies.

Portfolio Company products are subject to regulatory approvals and actions with new drugs, medical devices and procedures being subject to extensive regulatory scrutiny before approval, and approvals can be revoked.

The market value of the Group's holdings in public Portfolio Companies could be affected by a number of factors, including, but not limited to: a change in sentiment in the market regarding the public Portfolio Companies, the market's appetite for specific asset classes; and the financial or operational performance of the public Portfolio Companies.

8. Risk factors (continued)

Market risk (continued)

The size of investments in public Portfolio Companies or involvement in management may trigger restrictions on buying or selling securities. Laws and regulations relating to takeovers and inside information may restrict the ability of the Group to carry out transactions, or there may be delays or disclosure requirements before transactions can be completed.

Equity prices and returns from investing in equity markets are sensitive to various factors, including but not limited to: expectations of future dividends and profits; economic growth; exchange rates; interest rates; and inflation.

Biotech/healthcare companies

The Portfolio Companies are biotechnology and medical technology companies, which are generally subject to greater governmental regulation than other industries at both the state and federal levels. Changes in governmental policies may have a material effect on the demand for or costs of certain products and services.

Any failure by a Portfolio Company to develop new technologies or to accurately evaluate the technical or commercial prospects of new technologies could result in it failing to achieve a growth in value and this could have a material adverse effect on the Group's financial condition.

Portfolio Companies may not successfully translate promising scientific theory into a commercially viable business opportunity. Further, the Portfolio Companies' therapies in development may fail clinical trials and therefore no longer be viable.

Portfolio Company products are subject to intense competition and there are many factors that will affect whether the new therapies released by the Portfolio Companies gain market share against competitors and existing therapies.

Portfolio Companies may be newer small and mid-size Medtech and Biotech Companies. These companies may be more volatile and have less experience and fewer resources than more established companies.

Concentration risk

The Group may not make an investment or a series of investments in a Portfolio Company that result in the Group's aggregate investment in such Portfolio Company exceeding 15 per cent. of the Group's gross assets, save for Rocket for which the limit is 25 per cent. as stated in the Group's prospectus. Each of these investment restrictions will be calculated as at the time of investment. As such, it is possible that the Group's portfolio may be concentrated at any given point in time, potentially with more than 15 per cent. of gross assets held in one Portfolio Company as Portfolio Companies increase or decrease in value following such initial investment. The Group's portfolio of investments may also lack diversification among Medtech and Biotech Companies and related investments.

Concentration of credit risk

In the normal course of business, the Group maintains its cash balances in financial institutions, which at times may exceed US federal or UK insured limits, as applicable. The Group is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfil contractual obligations on its behalf. Management monitors the financial condition of such financial institutions and does not anticipate any losses from these counterparties.

Counterparty risk

The Group invests in equity swaps and takes the risk of non-performance by the other party to the contract. This risk may include credit risk of the counterparty, the risk of settlement default, and generally, the risk of the inability of counterparties to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

In an effort to mitigate such risks, the Group will attempt to limit its transactions to counterparties which are established, well capitalised and creditworthy.

Liquidity risk

Liquidity risk is the risk that the Group cannot meet its financial commitments as they fall due. The Group's unquoted investments may have limited or no secondary market liquidity so the Investment Manager maintains a sufficient balance of cash and market quoted securities which can be sold if needed to meet its commitments.

The Group's investments in quoted securities may also be subject to sale restrictions on listing and when the Investment Manager is subject to close periods or privy to confidential information by virtue of their active involvement in the management of portfolio companies.

Derivative transactions may not be liquid in all circumstances, such that in volatile markets it may not be possible to close out a position without incurring a loss. The illiquidity of the derivatives markets may be due to various factors, including congestion, disorderly markets, limitations on deliverable supplies, the participation of speculators, government regulation and intervention, and technical and operational or system failures.

Foreign exchange risk

The Group will make investments in various jurisdictions in a number of currencies and will be exposed to the risk of currency fluctuations that may materially adversely affect, amongst other things, the value of the Portfolio Company or the Group's investment in such Portfolio Company, or any distributions received from the Portfolio Company. Under its investment policy, the Group does not intend to enter into any securities or financially engineered products designed to hedge portfolio exposure or mitigate portfolio risk as a core part of its investment strategy.

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9. Share capital

During the period ended 30 June 2023 the Company did not issue any Ordinary Shares:

	30 June 2023 (unaudited) Number of Ordinary Shares	31 December 2022 (audited) Number of Ordinary Shares	30 June 2022 (unaudited) Number of Ordinary Shares
As at 1 January	212,389,138	212,389,138	212,389,138
Issuance of Ordinary Shares	–	–	–
As at 30 June/31 December	212,389,138	212,389,138	212,389,138

Ordinary Shares carry the right to receive all income of the Company attributable to the Ordinary Shares and to participate in any distribution of such income made by the Company. Such income shall be divided pari passu among the holders of Ordinary Shares in proportion to the number of Ordinary Shares held by them.

Ordinary Shares shall carry the right to receive notice of and attend and vote at any general meeting of the Company, and at any such meeting on a show of hands, every holder of Ordinary Shares present in person (includes present by attorney or by proxy or, in the case of a corporate member, by duly authorised corporate representative) and entitled to vote shall have one vote, and on a poll, subject to any special voting powers or restrictions, every holder of Ordinary Shares present in person or by proxy shall be entitled to one vote for each Ordinary Share, or fraction of an Ordinary Share, held.

On 1 December 2022, the Performance Allocation Share held by RTW Venture Performance LP was surrendered in exchange for a New Performance Allocation Share issued by the Subsidiary. The New Performance Allocation Share issued by the Subsidiary has identical terms to the original Performance Allocation Share issued by the Company. From 1 December 2022, the Performance Allocation Amount is now allocated at the Subsidiary level, and is presented in the Group's financial statements as part of the Non-Controlling Interest. The sole New Performance Allocation Share is held by RTW Venture Performance LP. As at 30 June 2023, there were no Performance Allocation Shares of the Company in issue (31 December 2022: nil) and one New Performance Allocation Share of the Subsidiary in issue (31 December 2022: one).

New Performance Allocation Shares of the Subsidiary carry the right to receive, and participate in, any dividends or other distributions of the Subsidiary available for dividend or distribution. New Performance Allocation Shares are not entitled to receive notice of, to attend or to vote at general meetings of the Company or the Subsidiary.

For all share classes, subject to compliance with the solvency test set out in the Companies Law, the Board may declare and pay such annual or interim dividends and distributions as appear to be justified by the position of the Group. The Board may, in relation to any dividend or distribution, direct that the dividend or distribution shall be satisfied wholly or partly by the distribution of assets, and in particular of paid-up shares or reserves of any nature as approved by the Group.

10. Related party transactions

Management Fee

The Investment Manager receives a monthly management fee, in advance, as of the beginning of each month in an amount equal to 0.104% (1.25% per annum) of the net assets of the Group (the "Management Fee"). For purposes of determining the Management Fee, private investments will be valued at the fair value. The Management Fee will be prorated for any period that is less than a full month. The Management Fees charged for the period ended 30 June 2023 amounted to $2,115,840 (period ended 30 June 2022: $1,889,306) of which $nil (31 December 2022: $nil) was outstanding at the period end.

Performance Allocation

The Performance Allocation Share held by RTW Venture Performance LP was surrendered in exchange for a New Performance Allocation Share issued by the Subsidiary. The New Performance Allocation Share issued by the Subsidiary has identical terms to the original Performance Allocation Share issued by the Company.

In respect of each Performance Allocation Period, the Performance Allocation Amount shall be allocated at the Subsidiary level and disclosed on the Group's financial statements within the Non-Controlling Interest, subject to the satisfaction of a hurdle condition.

The Performance Allocation Amount relating to the Performance Allocation Period, which is calculated solely at the Subsidiary, is an amount equal to:

((A-B) x C) x 20 per cent.
where:

A is the Adjusted Net Asset Value per Ordinary Share on the Calculation Date, adjusted by: adding back (i) the total net Distributions (if any) per Ordinary Share (whether paid, or declared but not yet paid) during the Performance Allocation Period; and (ii) any accrual for the Performance Allocation for the current Performance Allocation Period reflected in the Net Asset Value per Ordinary Share; and deducting any accretion in the Net Asset Value per Ordinary Share resulting from either the issuance of Ordinary Shares at a premium or the repurchase or redemption of Ordinary Shares at a discount during the Performance Allocation Period;

B is the Adjusted Net Asset Value per Ordinary Share at the start of the Performance Allocation Period; and

C is the time weighted average number of Ordinary Shares in issue during the Performance Allocation Period.

10. Related party transactions (continued)

Performance Allocation (continued)

The Hurdle Amount represents an 8 per cent. annualised compounded rate of return in respect of the Adjusted Net Asset Value per Ordinary Share from the start of the initial Performance Allocation Period through the then current Performance Allocation Period.

The Performance Allocation Share Class can elect to receive the Performance Allocation Amount in Ordinary Shares; cash; or a mixture of the two, subject to a minimum 50% as Ordinary Shares. The Performance Allocation Share Class entered into a letter agreement dated 21 April 2020, pursuant to which the Performance Allocation Share Class agreed to defer distributions of Ordinary Shares that would otherwise be distributed to the Performance Allocation Share Class no later than 30 business days after the publication of the Group's audited annual consolidated financial statements. Under that letter agreement, such Ordinary Shares shall be distributed to the Performance Allocation Share Class at such time or times as determined by the Boards of Directors of the Group.

The Group will increase or decrease the amount owed to the Performance Allocation Share Class based on its investment exposure to the Group's performance had such Performance Ordinary Shares been so issued. The Performance Allocation Amount for the period ended 30 June 2023 includes the residual, undistributed Performance Allocation Amounts from prior years that were previously converted into a total of 14,228,208 Notional Ordinary Shares. These Notional Ordinary Shares are subject to market risk alongside the Ordinary Shares and incurred a mark to market gain of $2,039,956 in 2023 (31 December 2022: notional loss of $2,476,036), which is included in Performance Allocation within the unaudited interim consolidated statement of changes in net assets. There was no reallocation of uncrystallized performance allocation back to Ordinary Shareholders related to the Group's performance in the period.

Until the Group makes a distribution of Ordinary Shares to the Performance Allocation Share Class, the Group will have an unsecured discretionary obligation to make such distribution at such time or times as the Board of Directors of the Group determines. RTW Venture Performance LP has agreed to the deferral of the distributions of the Subsidiary's Ordinary Shares in connection with its own tax planning. The Group does not believe that the deferral of such distributions to the Performance Allocation Share Class will have any negative effects on holders of the Company's Ordinary Shares.

The Investment Manager is a member of the Performance Allocation Share Class and will therefore receive a proportion of the Performance Allocation Amount. For the period ended 30 June 2023, the Board did not approve a cash distribution to the Performance Allocation Share Class (period ended 30 June 2022: $nil). At the period end the Performance Allocation Share Class of the Subsidiary is reflected within the Non-Controlling Interest balance of $23,884,424 (31 December 2022: $21,844,468).

The Investment Manager is also refunded any research costs incurred on behalf of the Group.

One of the Directors of the Group, Stephanie Sirota, is also a partner and the Chief Business Officer of the Investment Manager.

As at 30 June 2023, the number of Ordinary Shares held by each Director was as follows:

	30 June 2023 (unaudited)	31 December 2022 (audited)
	Number of Ordinary Shares	Number of Ordinary Shares
William Simpson	200,000	200,000
Paul Le Page	128,000	128,000
William Scott	350,000	305,003
Stephanie Sirota	1,010,000	1,010,000

Roderick Wong is a major shareholder and a member of the Investment Manager. Roderick Wong serves on the board of the following investments: Rocket, Ji Xing, and Yarrow Biotechnology. As at 30 June 2023, he held 29,693,872 Ordinary Shares in the Group (13.93% of the Ordinary Shares in issue) (31 December 2022: 29,593,872, 13.93% of the Ordinary Shares in issue).

The total Directors' fees expense for the period amounted to $87,798 (30 June 2022: $102,434) of which $50,219 was outstanding at 30 June 2023 (31 December 2022: $48,281) and is included within accrued expenses.

All of the Directors of the Company were also appointed as directors of the Subsidiary on its incorporation on 23 November 2022.

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11. Administrative services

Elysium Fund Management Limited ("EFML") serves as Administrator to the Group, providing administration, corporate secretarial, corporate governance and compliance services. Morgan Stanley Fund Services USA LLC ("MSFS") serves as the Group's Sub-Administrator.

During the period ended 30 June 2023, EFML and MSFS charged administration fees of $82,054 and $117,860 respectively (period ended 30 June 2022: EFML charged $49,173 and MSFS charged $110,940) of which $24,765 and $61,929 (31 December 2022: EFML $6,484, MSFS $91,099) was outstanding at 30 June 2023, and is included within accrued expenses.

12. Financial highlights

Financial highlights for the six month period ended 30 June 2023, six month period ended 30 June 2022 and year ended 31 December 2022 are as follows:

	30 June 2023 (unaudited)	30 June 2022 (unaudited)	31 December 2022 (audited)
Per Ordinary Share operating performance			
Net Asset Value, beginning of period	$ 1.54	$ 1.71	$ 1.71
Income from investments			
Net investment income/(loss)	(0.01)	(0.01)	(0.02)
Net realised and unrealised gain/(loss) on investments, derivatives and foreign currency transactions	0.16	(0.45)	(0.15)
Performance allocation	(0.01)	–	–
Total from investment operations	**0.14**	**(0.46)**	**(0.17)**
Net Asset Value, end of period	**$1.68**	**$ 1.25**	**$ 1.54**
Total return			
Total return before Performance Allocation	9.34%	(26.81)%	(10.18)%
Performance Allocation (excluding mark to market)	-%	-%	- %
Total return after Performance Allocation	**9.34%**	**(26.81)%**	**(10.18)%**
Ratios to average net assets*			
Expenses	1.34%	1.10%	2.47%
Performance Allocation	-%	(2.14)%	(1.44)%
Expenses and Performance Allocation	**1.34%**	**(1.04)%**	**1.03%**
Net investment income/(loss)	(0.79)%	(0.87)%	(1.75)%
NAV total return for the period	**9.34%**	**(26.81)%**	**(10.18)%**

* Ratios are not annualised.

Financial highlights are calculated for Ordinary Shares. An individual shareholder's financial highlights may vary based on the timing of capital share transactions. Net investment income/loss does not reflect the effects of the Performance Allocation.

13. Subsequent events

Subsequent to the period end the Company bought back 500,000 Ordinary Shares at an average price of US$1.29 for a total cost of US$643,750. At the point of signing these unaudited interim consolidated financial statements, all 500,000 of the shares were held in treasury.

These unaudited interim consolidated financial statements were approved by the Board of Directors on 12 September 2023. Subsequent events have been evaluated through this date.

Listing of portfolio company abbreviations used throughout this report

Shorthand Company Name	Legal Company Name
Abdera	Abdera Therapeutics, Inc.
Acelyrin	Acelyrin, Inc.
Alcyone	Alcyone Therapeutics, Inc.
Allurion	Allurion Technologies, Inc.
Ancora	Ancora Heart, Inc.
Apogee	Apogee Therapeutics, Inc.
Artios	Artios Pharma, Inc.
Artiva	Artiva Biotherapeutics, Inc.
Athira	Athira Pharma, Inc.
Avidity	Avidity Biosciences, Inc.
Biomea	Biomea Fusion, Inc.
C4 Therapeutics	C4 Therapeutics, Inc.
Cargo	Cargo Therapeutics, Inc.
CinCor	CinCor Pharma, Inc.
Encoded	Encoded Therapeutics, Inc.
Frequency	Frequency Therapeutics, Inc.
GH Research	GH Research PLC
HSAC2	Health Sciences Acquisition Corporation 2
Immunocore	Immunocore Limited
Iteos	iTeos Therapeutics, Inc.
Ji Xing	Ji Xing Pharmaceuticals Limited
Kyverna	Kyverna Therapeutics, Inc.
Landos	Landos Biopharma, Inc.
Lenz	Lenz Therapeutics
Lycia	Lycia Therapeutics, Inc.
Magnolia	Magnolida Medical Technologies, Inc.
Milestone	Milestone Pharmaceuticals, Inc.
Mineralys	Mineralys Therapeutics, LLC
Monte Rosa	Monte Rosa Therapeutics, Inc.
Neurogastrx	Neurogastrx, Inc.
Nikang	Nikang Therapeutics, Inc.
Nuance	Nuance Pharma
Numab	Numab Therapeutics, Inc.
Orchestra	Orchestra BioMed, Inc.
OriCell	OriCell Therapeutics (Shangha) Co., Ltd
Prometheus	Prometheus Biosciences, Inc.
Prometheus Labs	Prometheus Laboratories Inc.
Pulmonx	Pulmonx Corporation
Pyxis	Pyxis Oncology, Inc.
Rocket	Rocket Pharmaceuticals, Inc.
RTW Royalty 1	RTW Royalty Holdings LLC (royalty deal for Mavacamten)
RTW Royalty 2	RTW Fund 2 (royalty deal for Jelmyto)
Swift Health	Swift Health, Inc.
Tarsus	Tarsus, Pharmaceuticals, Inc.
Tenaya	Tenaya Therapeutics, Inc.
Third Harmonic	Third Harmonic Bio, Inc.
Tourmaline	Tourmaline Bio, Inc.
Umoja	Umoja Biopharma, Inc.
Ventyx	Ventyx Biosciences, Inc.
Visus	Visus Therapeutics, Inc.
Yarrow	RTW Holdings LLC

Glossary

Defined Terms

"4010 Royalty Fund"	Refers to a private fund managed by RTW Investments. The Group will invest in this fund via a feeder fund called 4010 Royalty Offshore FNT Fund, LP;
"Adjusted Net Asset Value"	the Net Asset Value adjusted by deducting the unrealised gains and unrealised losses in respect of private Portfolio Companies;
"Administrator"	refers to Elysium Fund Management Limited;
"AIC"	the Association of Investment Companies;
"AIFM"	Alternative Investment Fund Manager;
"Annual Report"	the Annual Report and Audited Consolidated Financial Statements;
"Antibody"	a large Y-shaped blood protein that can stick to the surface of a virus, bacteria, or receptor on a cell;
"AOC"	Antibody-Oligonucleotide Conjugates, molecules that combine structures of an antibody and an oligo;
"Arca"	NYSE Arca Biotechnology Index (ticker BTK) consisting of 30 companies that are a part of the biotechnology industry and are primarily involved in the use of biological processes to develop products or provide services;
"Biotech"	biotechnology subsector of healthcare;
"Calculation Date"	30 June or, if such date is not a business day, the previous business day;
"Cardiovascular disease"	conditions affecting heart and vascular system;
"Clinical stage" or "clinical trial"	a therapy in development goes through a number of clinical trials to ensure its safety and efficacy. The trials in human subjects range from Phase 1 to Phase 3;
"CNS"	Central Nervous System;
"the Company"	RTW Biotech Opportunities Ltd is a company incorporated in Guernsey as a closed-ended Investment Company;
"Core portfolio"	includes private companies and public companies that were initially added to the portfolio as private investments;
"Danon Disease"	a rare genetic heart condition in children, predominantly boys;
"Directors" or "Board"	the directors of the Company and the Subsidiary as at the date of this document and "Director" means any one of them;
"Fanconi Anaemia"	a rare genetic blood condition in young children;
"FCA"	the Financial Conduct Authority;
"FDA"	the United States Food and Drug Administration;
"FTC"	the Federal Trade Commission;
"Gene therapy"	a biotechnology that uses gene delivery systems to treat or prevent a disease;
"Genetic Medicine"	an approach to treat or prevent a disease using gene therapy or RNA medicines;
"Group"	the Company and the Subsidiary;
"HCM" or "Hypertrophic cardiomyopathy"	a cardiovascular disease characterised by an abnormally thick heart muscle;
"Independent Valuers"	refers to Alvarez & Marsal Valuation Services, LLC and Houlihan Lokey, Inc.;
"Investigational New Drug" or "IND"	the FDA's investigational New Drug program is the means by which a pharmaceutical company obtains permission to start human clinical trials;
"IPEV"	the International Private Equity and Venture Capital Valuation (IPEV) Guidelines set out recommendations, intended to represent current best practice, on the valuation of Private Capital Investments;
"IPO"	an initial public offering;
"IRA"	Inflation Reduction Act of 2022;
"ISDA"	International Swaps and Derivatives Association;
"Leukocyte adhesion deficiency" or "LAD-I"	a rare genetic disorder of immunodeficiency in young children;
"London Stock Exchange"	London Stock Exchange plc;
"LSE"	London Stock Exchange's main market for listed securities;
"Medtech"	medical technology subsector of healthcare;
"Merck"	Merck & Co., Inc.;
"MOC"	Multiple on capital is the ratio of realised and unrealised gains divided by the acquisition cost of an investment;
"Myotonic Dystrophy"	a genetic condition that affects muscle function;
"NASDAQ Biotech" or "NBI"	a stock market index made up of securities of NASDAQ-listed companies classified according to the Industry Classification Benchmark as either the Biotechnology or the Pharmaceutical industry;

"Net Asset Value" or "NAV"	the value of the assets of the Group less its liabilities, calculated in accordance with the valuation guidelines established by the Board;
"NewCo"	a company incubated by RTW Investments, LP;
"Non-core portfolio assets"	investments made in public companies as a part of cash management strategy;
"Notional Ordinary Shares"	Performance Ordinary Shares, in which receipt of such shares has been deferred;
"Official List"	the official list of the UK Listing Authority;
"Oligonucleotides" or "Oligos"	short DNA or RNA molecules that have a wide range of applications in genetic testing and research;
"Oncology"	a therapeutic area focused on diagnosis, prevention, and treatment of cancer;
"Ophthalmic conditions"	conditions affecting the eye;
"Ordinary Shares"	the Ordinary Shares of the Company;
"Other public portfolio"	the portion of the portfolio selected to match, on a pro-rated basis, the long investments held in our private funds and designed to mitigate the drag of setting aside cash for future deployment into core positions.;
"Performance Allocation Shares"	performance allocation shares of no-par value in the capital of the Company (prior to the 1 December 2022 reorganisation), or performance allocation shares of no-par value in the capital of the Subsidiary (with effect from the 1 December 2022 reorganisation);
"Performance Allocation Period"	each period ending on a Calculation Date and beginning on the business day immediately following the last Performance Allocation Period in respect of which a Performance Allocation has been allocated;
"PIPE"	private investment in a public equity;
"Portfolio Companies"	private and public companies in the Group's portfolio;
"Premium Segment"	Premium Segment of the Main Market of the London Stock Exchange;
"Prospectus"	the prospectus of the Company, most recently updated on 14 October 2019 and available on the Company's website (www.rtwfunds.com/rtw-biotech-opportunities-ltd);
"Pyruvate Kinase Deficiency" or "PKD"	a rare genetic disorder affecting red blood cells;
"Radiopharmaceuticals"	pharmaceutical consisting of a radioactive compound used in radiation therapy;
"Rare disease"	a disease that affects a small percentage of the population;
"Registrar"	Link Market Services (Guernsey) Limited;
"RNA medicines"	a type of biotechnology that uses RNA to treat a disease;
"RTW"	RTW Investments, LP, also referred to as the Investment Manager;
"Russell 2000 Biotech"	a stock index of small cap biotechnology and pharmaceutical companies;
"Small molecule"	a compound that can regulate a biologic activity;
"SPAC"	Special Purpose Acquisition Company;
"Sub-Administrator"	Morgan Stanley Fund Services USA LLC;
"Subsidiary"	RTW Biotech Opportunities Operating Ltd;
"Tachycardia"	a heart rhythm disorder;
"Type 1 Diabetes" or "T1D"	a type of insulin resistance;
"Total shareholder return"	a measure of shareholders' investment in a company with reference to movements in share price and dividends paid over time;
"US GAAP"	United States Generally Accepted Accounting Principles;
"Uveal melanoma"	a type of eye cancer;
"Valuation Committee"	Valuation Committee of the Investment Manager;
"WACC"	weighted average cost of capital;
"XBI"	the SPDR S&P Biotech ETF;
"XIRR"	an internal rate of return calculated using irregular time intervals.

Alternative Performance Measures

APM	Definition	Purpose	Calculation
Available Cash	Cash held by the Group's Bankers, Prime Broker and an ISDA counterparty.	A measure of the Group's liquidity, working capital and investment level.	Cash and cash equivalents, Due from brokers, Receivable from unsettled trades and other miscellaneous current assets, less Due to brokers, Payable for unsettled trades and other miscellaneous current liabilities on the Statement of Assets & Liabilities.
NAV per Ordinary Share	The Group's NAV divided by the number of Ordinary Shares.	A measure of the value of one Ordinary Share.	The net assets attributable to Ordinary Shares on the statement of financial position (US$356.5 million) divided by the number of Ordinary Shares in issue (212,389,138) as at the calculation date.
Price per share	The Company's closing share price on the London Stock Exchange for a specified date.	A measure of the supply and demand for the Company's shares.	Extracted from the official list of the London Stock Exchange.
NAV Growth	The percentage increase/decrease in the NAV per Ordinary share during the reporting period.	A key measure of the success of the Investment Manager's investment strategy.	The quotient of the NAV per share at the end of the period (US$1.68) and the NAV per share at the beginning of the period (US$1.54) minus one expressed as a percentage.
Share price growth/ Total Shareholder Return	The percentage increase(decrease) in the price per share during the reporting period.	A measure of the return that could have been obtained by holding a share over the reporting period.	The quotient of the price per share at the end of the period (US$1.25) and the price per share at the beginning of the period (US$1.21) minus 1.00 expressed as a percentage. The measure excludes transaction costs.
Share Price Premium/ (Discount)	The amount by which the Ordinary Share price is higher/lower than the NAV per Ordinary Share, expressed as a percentage of the NAV per ordinary share.	A key measure of supply and demand for the Company's shares. A premium implies excess demand versus supply and vice versa.	The quotient of the price per share at the end of the period (US$1.25) and the NAV per share at the end of the period (US$1.68) minus one expressed as a percentage.
Multiple on Invested Capital (MOIC or MOC)	The multiple that measures value that an investment has generated.	A measure to evaluate performance of the realised and unrealised investments.	The ratio between initial capital invested in a portfolio company and current (as of 30 June 2023) value of the investment. It is a gross metric and calculation is performed before fees and incentive.
Extended Internal Rate of Return (XIRR)	The percentage or single rate of return when applied to all transactions in a portfolio company.	A measure of return which is used when multiple investments have been made over time into a portfolio company.	The rate also expressed as a percentage that calculates the returns on the total investment made with increments through a given period (from initial investment date to 30 June 2023).
Ongoing Charges Ratio	The recurring costs that the Group has incurred during the period excluding performance fees and one-off legal and professional fees, expressed as a percentage of the Group's average NAV for the period.	A measure of the minimum gross profit that the Group needs to produce to make a positive return for shareholders.	Calculated in accordance with the AIC methodology detailed at the web link below: https://www.theaic.co.uk/sites/default/files/documents/AICOngoingChargesCalculationMay12.pdf

Additional Information

General Company Information

General Company Information	
Structure	Closed-End Investment Fund
Domicile	Guernsey
Listing	London Stock Exchange, Premium Segment
Launch date	30 October 2019
Dividend policy	To be reinvested
Management fee	1.25%
Performance fee	20% with 8.0% hurdle
Ongoing Charges Ratio	1.9%
Currencies	USD and GBP
ISIN	GG00BKTRRM22
SEDOLs	BKTRRM2 / BNNXVW5
Tickers	RTW (USD) and RTWG (GBP)
LEI	549300Q7EXQQH6KF7Z84
Website	www.rtwfunds.com/rtw-biotech-opportunities-ltd

Investment Restrictions

No more than 15% of gross assets to be invested in other funds admitted to listing by the FCA;

The aggregate investment in a portfolio company will not exceed 15% of the Group's gross assets at the time of investment; and

No direct investments in tobacco.

Schedule of Key Service Providers

Board of Directors
William Simpson (Chair)
Paul Le Page (Chair of Audit Committee)
William Scott
Stephanie Sirota (Non-independent)

Administrator and Company Secretary
Elysium Fund Management Limited
1st Floor, Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey
GY1 3JX

Sub-Administrator
Morgan Stanley Fund Services USA LLC
2000 Westchester Avenue, 1st Floor
Purchase, NY 10577
United States of America

Corporate Brokers
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London
EC1A 1HQ

Numis Securities*
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EC2V 7BF

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Carey House
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UK Legal Advisers to the Group
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Bulwer Avenue
St Sampson
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107 Cheapside
London
EC2V 6DN

Distribution Partner
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London
EC2Y 9DT

Independent Auditor
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Glategny Court
Glategny Esplanade
St Peter Port
Guernsey
GY1 1WR

Principal Bankers
Barclays Bank PLC, Guernsey Branch
Le Marchant House
Le Truchot
St Peter Port
Guernsey
GY1 3BE

Independent Valuers
Alvarez & Marsal Valuation Services LLC
600 Madison Avenue
8th Floor
New York
NY 10022
United States of America

Houlihan Lokey, Inc.
245 Park Avenue, 20th Floor
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United States of America

* On 5 April 2023, Numis Securities was appointed as a corporate broker and financial adviser to the Group.

Biotech
Opportunities

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Find more information at:
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