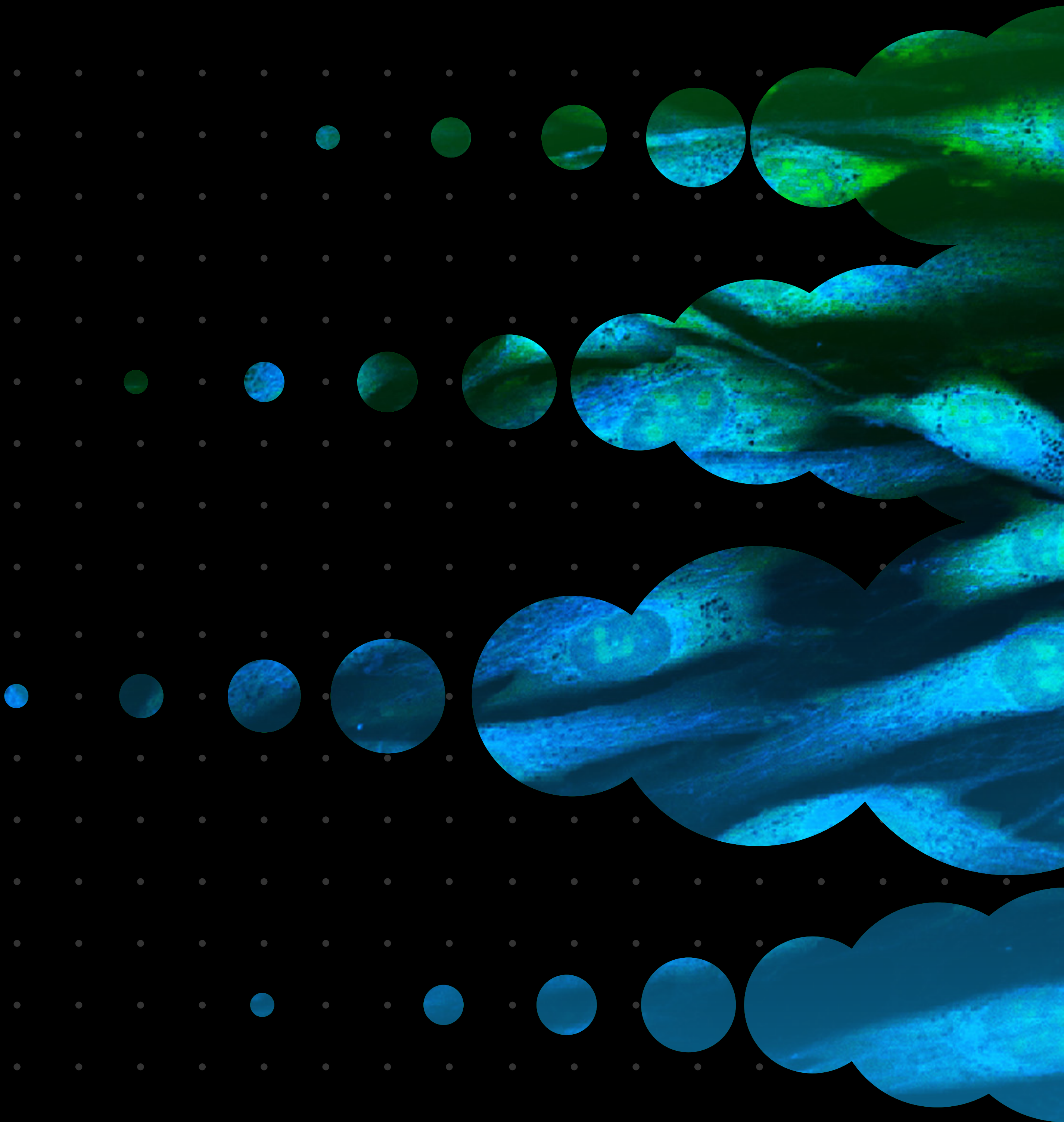
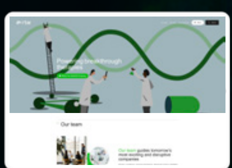
rtw Biotech Opportunities



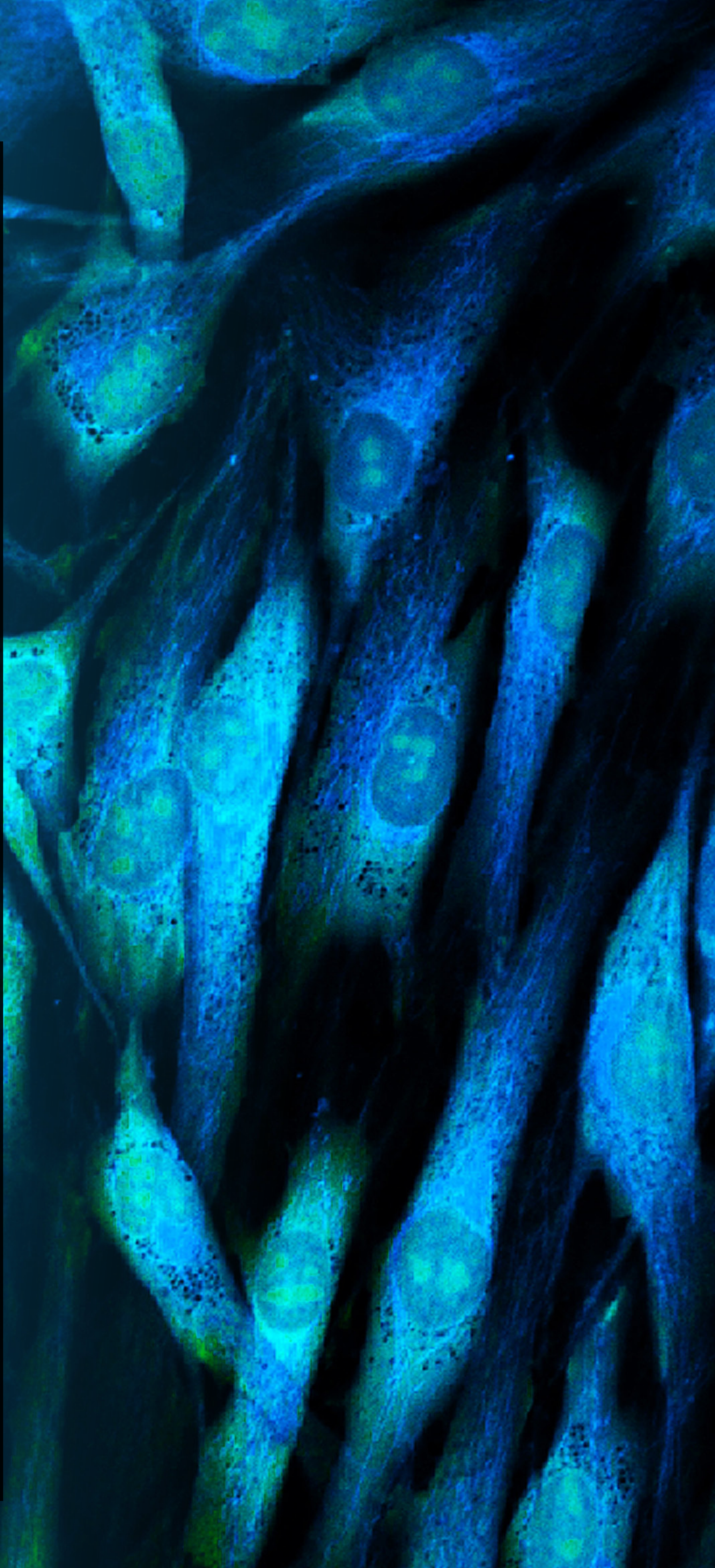
Annual Report and Audited Consolidated Financial Statements
For the year ended 31 December 2024

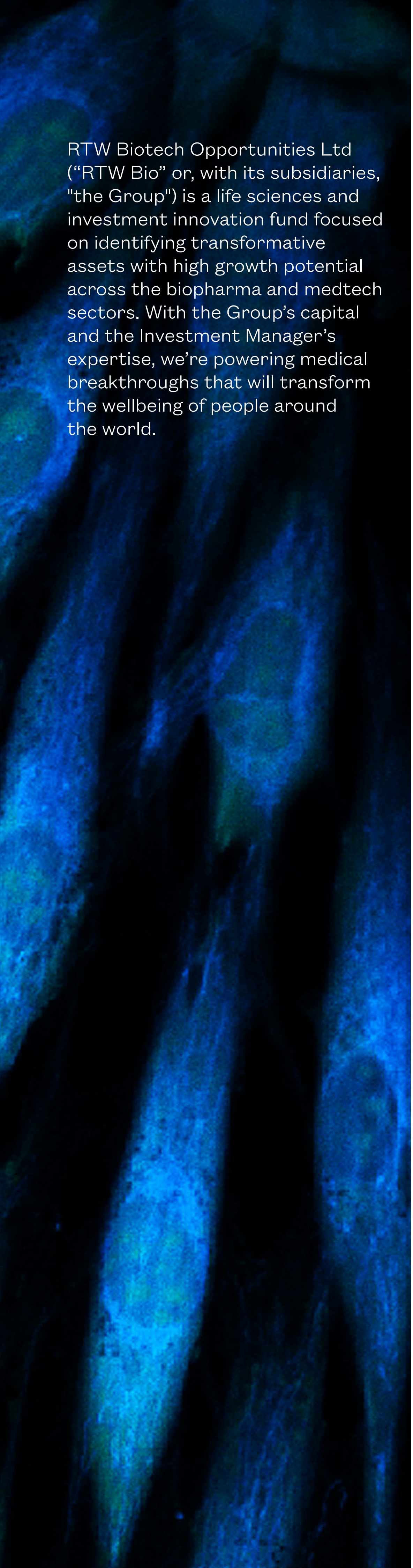
Registered number: 66847

Pioneering tomorrow's most exciting science



Read more online
rtwfunds.com





RTW Biotech Opportunities Ltd ("RTW Bio" or, with its subsidiaries, "the Group") 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.

31 December 2024 Financial Highlights

US$606.9M
Ordinary NAV
(2023: US$399.3M)

US$1.81
NAV per Ordinary Share
(2023: US$1.90)

+73.8%
Ordinary NAV growth since inception
(2023: +82.3%)

+34.1%
Total shareholder return since admission
(2023: +34.9%)

-4.6%
Ordinary NAV per share growth YTD
(2023: +23.5%)

-0.6%
Total shareholder return YTD
(2023: +16.0%)

1.2x
Leverage[2]
(2023: 1.2x)

US$1.40
Price per Ordinary Share[1]
(2023: US$1.40)

1 The share price at 27 March 2025 was US$1.22.
2 Leverage is calculated per the Commitment Method of the AIFMD as further detailed on pages 110 and 112. Real economic exposure at the fund and position level is ultimately what impacts NAV as some positions are partially or fully hedged.

Portfolio Highlights

5
Significant capital markets activities in the core portfolio[1]: 3 IPOs, 1 acquisition, 1 reverse merger
(2023: 2 take-outs, 4 IPOs, 1 SPAC merger, 1 reverse merger, and 2 strategic financings)

21
New core portfolio companies added in the year[2], 3 core portfolio companies exited
(2023: 7 and 10, respectively)

67.1%
Of NAV invested in core portfolio companies
(2023: 66.7%)

8
Core companies have commercial products[4]
(2023: 8)

13
Core companies are pre-clinical[4]
(2023: 5)

54
Core portfolio companies in total: 33 private, 2 royalty, 19 public
(2023: 36 total, 22 private, 2 royalty, 12 public)

30
Core companies have clinical programmes[3]
(2023: 22)

1.8x
Average historical multiple on invested capital (MOIC) to liquidity event since inception

14
Months average historical holding period to liquidity event

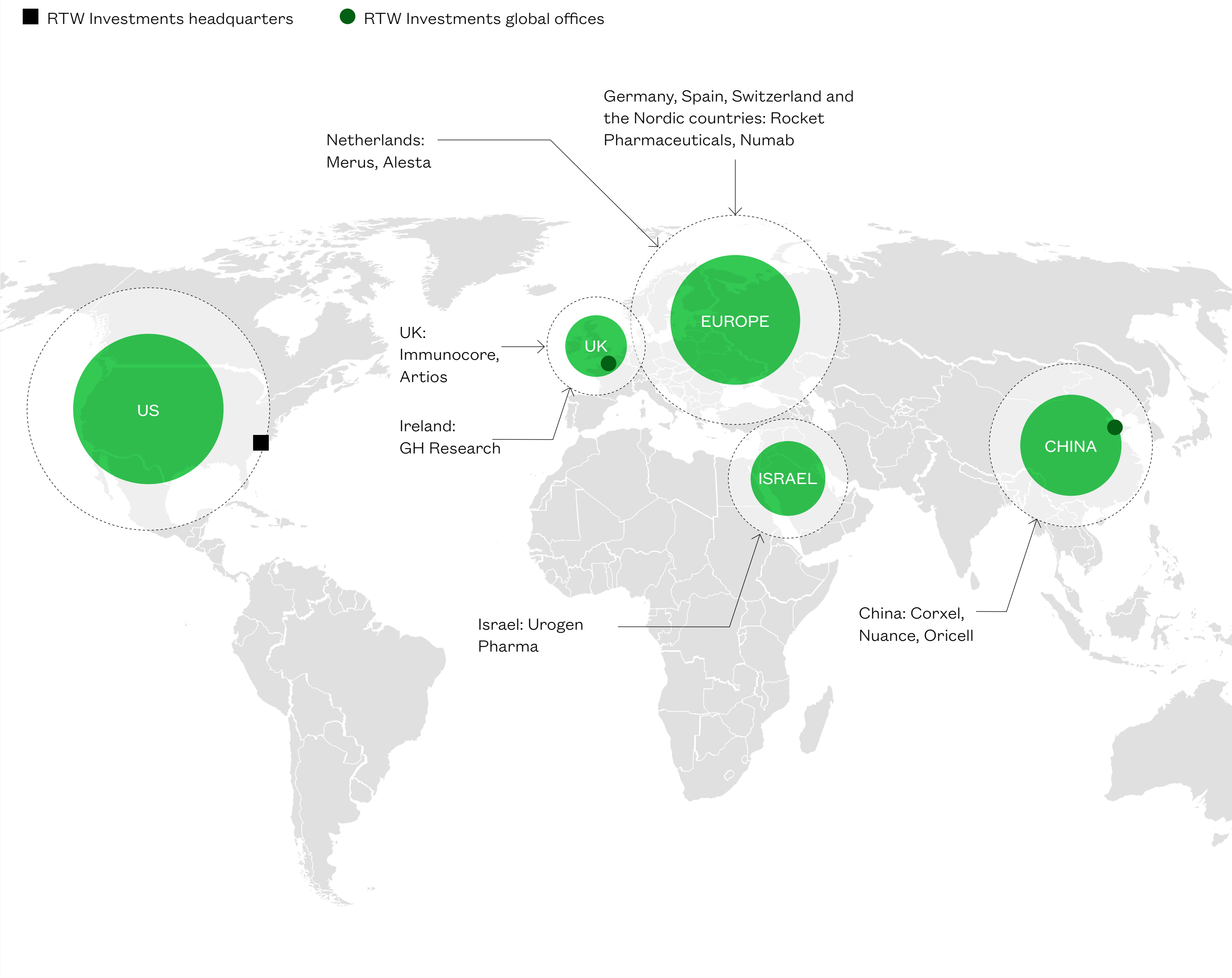
1 Core portfolio consists of companies that were initially added to the portfolio as private investments, reflecting the key focus of the Group's strategy. As initially private investments continue to be held beyond IPO, the core portfolio consists of both privately-held and publicly-listed companies.
2 New core portfolio companies include ten new privates, one RTW Investments-incubated company, six positions acquired from Arix Bioscience and four that were previously classified "other public".
3 For certain core companies, clinical programs are not applicable. One is a specialty clinical laboratory offering testing services, one is a legacy CVR position acquired in the Arix transaction, one is a life-science tools company.

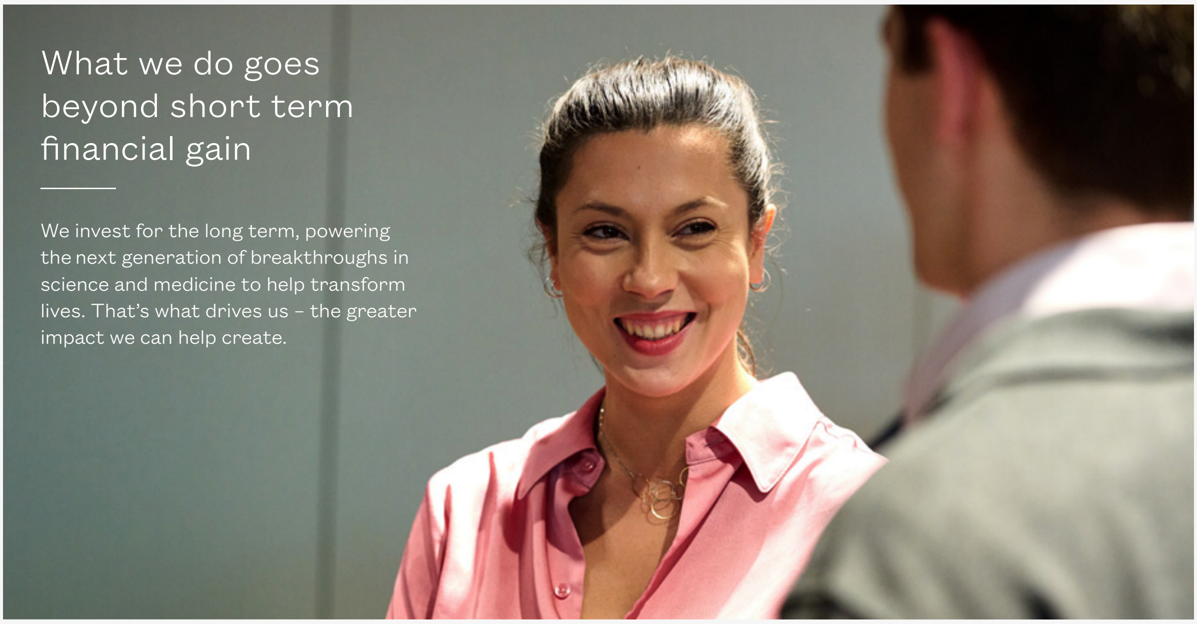
OUR PURPOSE

Transforming the lives of millions

RTW Bio'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 global reach





What we do goes beyond short term financial gain

We invest for the long term, powering the next generation of breakthroughs in science and medicine to help transform lives. That's what drives us – the greater impact we can help create.

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

THE US

We have a core focus on the US, with deep coverage of opportunities from academia to mid-size public companies. We apply a full range of deal execution and company building capabilities.

THE UK & EUROPE

We have identified and invested in exceptional British and European scientific assets. We look to contribute to these biotech ecosystems by engaging in creation or ongoing development of new companies around promising early-stage assets by partnering with universities and in-licensing academic programmes, and by providing financial and human capital to entrepreneurs to advance scientific programmes.

What this means for investors:

- access to cutting edge research labs and academic knowledge
- access to greater breadth of science and opportunity
- participation in value creation in local biotech ecosystems

CHINA

We are capturing commercialisation opportunities in China by investing across the venture capital life cycle: from new company formation to IPO, to bringing successful, innovative drugs to patients in China and across the globe.

What this means for investors:

- access to a budding biotech market, innovation and expertise
- an opportunity to be established in a market with the scope for significant growth

The RTW Investments culture

RTW Investments' priority is unlocking value by advancing early-stage scientific development to deliver innovative therapies to patients in need.

At the core of our business is a set of guiding principles.

Collaboration
Leveraging collective genius

Progress
From research, to innovation, to reality

Humility
The hunger to learn and improve

Tenacity
Finding pathways to success while overcoming obstacles

Rigour
Poring over the data

Leadership
The courage to shape a better future

Members of the RTW team

77

2023: 70

Our Long-Term Strategy, **page 28**

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

RTW Investments connects data, experience, and talent to bring opportunities into focus

We identify transformative assets with growth potential across the life sciences sector. Our approach is driven by deep scientific expertise with a long-term investment horizon.

RTW Investments' competitive advantages

DEEP RESEARCH

We dive into the data to spot opportunities that others miss.

Opportunities, potential, errors, and risks are all easily overlooked, so we analyse and scrutinise, applying a unique, repeatable research approach, fine-tuned over years of successful life sciences investment. We combine the best data, technology, and scientific insight to unearth opportunity.

FLEXIBLE SOLUTIONS

Drug development rarely follows a linear path.

Whatever the twists and turns, we have the skills in house to solve problems and accelerate progress, from providing capital and infrastructure to advance promising academic programmes, to forming new companies and taking those companies public. We carve new pathways, allowing scientists and entrepreneurs to bring life-changing therapies to patients.

SELECTIVITY

We cast a wide net, but only assets with high probability of becoming commercially viable products and those with the greatest potential to revolutionise treatment outcomes for patients pass the test.

We choose partners who care less about quick wins and more about lasting change.

PEOPLE

Healthcare innovation is hard work, and easy wins are few and far between.

Those who succeed don't lose sight of why it matters. These are the people we love working with. We come from many different backgrounds but are united in a mission to improve people's lives.

KNOWLEDGE

We are doctors, academics, and drug developers; venture capitalists and investment bankers; lawyers, data scientists and company operators.

We work as a team, applying collective expertise to spark ideas, solve problems, avoid pitfalls, and build successful companies.

LONG-TERM PARTNERS

Bringing new therapies to patients is a long journey that comes with both thrilling triumphs and inevitable setbacks.

We are hands-on and fully invested in the success of our partners because their success is our success. We choose partners who are as passionate about revolutionising medicine as we are.

RTW Biotech Opportunities' Full Life Cycle portfolio has multiple, differentiated return levers and horizons

Private 20-40% of NAV	Core Public 30-60% of NAV	Royalties 5-15% of NAV	Cash Management (“Other Public”) 0-30% of NAV
5-20 most compelling private investment opportunities per year.	The main portfolio driver over the medium and long term.	Uncorrelated, cash generative life sciences exposure with limited scientific risk.	Innovative biotechs are generally cash flow negative, requiring investment for clinical trials and commercial launches. Therefore, a portion of the portfolio is retained in cash and liquid investments, ready for future financing rounds.
Majority invested in mid-to-late-stage venture or crossover rounds where we expect a go-public event within six to eighteen months.	Biotech companies tend to IPO at around $500m. As a result, much of the valuation realisation occurs in the public markets. To capture as much value as possible, it is expected that most private portfolio companies will be retained after going public.	Royalty-backed launch financing for newly approved life sciences products. In exchange for an upfront payment, RTW Bio receives quarterly cash payments based on a negotiated percentage of the products' sales.	Excess cash is invested in the “other public” portfolio, designed to mitigate the drag of setting aside cash for future deployment into core positions.
As a leading US crossover firm, RTW Investments is sought out by the best private biotechs as they look towards the public markets. We expect to lead about half of these rounds, setting the terms and building the syndicates.	Retention and subsequent investment decisions subject to constant risk-reward assessment.	Downside protection through deal structuring	The “other public” assets have been carefully selected, mostly matching, on a pro-rata basis, the long investments held in RTW Investments' private funds.
About one third is invested in early-stage venture and RTW Investments company creations where we expect a go-public event in three to five years.	Successful investments could be held for 3-5 years with multiple value inflection points along the way.	Expect to have principal repaid within six years, then a harvest period. Term/return can be capped or uncapped.	Ability to hedge individual positions and use modest leverage.
Initial position size: <2%.	Typical position size: 1-10%	Typical position size: 1-2%	Typical position size: 0.1-5%

Applying deep scientific expertise with a long-term investment horizon

"Superior long-term capital appreciation, with a focus on forming, building, and supporting world-class life sciences, biopharmaceutical and medical technology companies."

Learn about our portfolio in the Report of the Investment Manager **page 12**

Investment Objective

The Group seeks to achieve positive absolute performance and superior long-term capital appreciation, with a focus on forming, building, and supporting world-class life sciences, biopharmaceutical and medical technology companies. It intends to create a diversified portfolio of investments across a range of businesses, each pursuing the development of superior pharmacological or medical therapeutic assets to enhance the quality of life and/or extend patient life.

Investment Policy

The Group seeks to achieve its investment objective by leveraging the Investment Manager's data-driven proprietary pipeline of innovative assets to invest in life sciences companies:

- across various geographies (globally);
- across various therapeutic categories and product types (including but not limited to genetic medicines, biologics, traditional modalities such as small molecule pharmaceuticals and antibodies, and medical devices);
- in both a passive and active capacity and intends, from time to time, to take a controlling or majority position with active involvement in a Portfolio Company to assist and influence its management. In those situations, it is expected that the Investment Manager's senior executives may serve in temporary executive capacities; and
- by participation in opportunities created by the Investment Manager's formation of companies de novo when a significant unmet need has been identified and the Group is able to build a differentiated, sustainable business to address said unmet need.

The Group expects to invest approximately 80 per cent of its gross assets in the biopharmaceutical sector and approximately 20 per cent of its gross assets in the medical technology sector.

The Group's portfolio will reflect its view of the most compelling opportunities available to the Investment Manager, with an initial investment in each privately held Portfolio Company ("Private Portfolio Company") expected to start in a low single digit per cent of the Group's gross assets and grow over time, as the Group may, if applicable, participate in follow-on investments and/or continue holding the Portfolio Company as it becomes publicly-traded. It is intended certain long-term holds will increase in size and may represent between five and ten per cent or greater of the Group's gross assets.

The Group anticipates deploying one-third of its capital designated for core private investments toward early-stage and de novo company formations (including newly formed entities around early-stage academic licenses and commercial stage corporate assets) and two-thirds of its capital in mid- to late-stage ventures.

The Company may choose to invest in Portfolio Companies listed on a public stock exchange ("Public Portfolio Companies") depending on market conditions and the availability of appropriate investment opportunities. Equally, as part of a full-life cycle investment approach, it is expected that Private Portfolio Companies may later become Public Portfolio Companies. Monetisation events such as IPOs and reverse mergers will not necessarily be taken as exit opportunities for the Group. Rather, the Group may decide to retain all or some of or add to its investment in such Portfolio Companies or the acquiring Company where they meet the standard of diligence set by the Investment Manager. The Group is not required to allocate a specific percentage of its assets to Private Portfolio Companies or Public Portfolio Companies.

The Group also intends, where appropriate, to invest further in its Portfolio Companies, supporting existing investments throughout their lifecycle. The Group may divest its interest in Portfolio Companies in part or in full when the risk-reward trade-off is deemed to be less favourable.

From time to time, the Group may seek opportunities to optimise investing conditions, and to allow for such circumstances, the Group will have the ability to hedge or enter into securities or derivative structures in order to enhance the risk-reward position of the portfolio and its underlying securities.

Investment restrictions

The Group will be subject to the following restrictions when making investments in accordance with its investment policy:

- 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 (or, in the case of Rocket Pharmaceuticals, Inc., 25 per cent) of the Group's gross assets at the time of each such investment;
- the Group may not make any direct investment in any tobacco company and not knowingly make or continue to hold any Public Portfolio Company investments that would result in exposure to tobacco companies exceeding one per cent of the aggregate value of the Public Portfolio Companies from time to time.

Each of these investment restrictions will be calculated as at the time of investment. In the event that any of the above limits are breached at any point after the relevant investment has been made (for instance, upon successful realisation of economic and/or scientific milestones or as a result of any movements in the value of the Group's gross assets), there will be no requirement to sell or otherwise dispose of any investment (in whole or in part).

Leverage and borrowing limits

The Group may use conservative leverage in the future in order to enhance returns and maximise the growth of its portfolio, as well as for working capital purposes, up to a maximum of 50 per cent of the Group's net asset value at the time of incurrence. Any other decision to incur indebtedness may be taken by the Investment Manager for reasons and within such parameters as are approved by the Board. There are no limitations placed on indebtedness incurred in the Group's underlying investments.

Capital deployment

The Group anticipates that it will, upon any subsequent capital raises, invest up to 80% of available cash in Public Portfolio Companies that have been diligenced by the Investment Manager and represent holdings in other portfolios managed by the Investment Manager, subsequently rebalancing the portfolio between Public Portfolio Companies and Private Portfolio Companies as opportunities to invest in the latter become available.

Cash management

The Group's uninvested capital may be invested in cash instruments or bank deposits pending investment in Portfolio Companies or used for working capital purposes.

Hedging

As described above, the Group may seek opportunities to optimise investing conditions, and to allow for such circumstances, there will be no limitations placed on the Group's ability to hedge or enter into securities or derivative structures in order to enhance the risk-reward position of the portfolio and its underlying securities.

On an ongoing basis, 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 but may enter into hedging transactions to hedge individual positions or reduce volatility related to specific risks such as fluctuations in foreign exchange rates, interest rates, and other market forces.

William Simpson
Chair

Investing in tomorrow's most promising medicines

We are delighted to have celebrated, on 30 October, the passing of our fifth anniversary since listing on the London Stock Exchange. In that time, the Group's NAV per share delivered a five-year return of +86.3% marking it as the best performing biotech-focused listed investment company on a NAV per share basis on the London Stock Exchange.

This compared to a +37.7% return for the Nasdaq Biotech Index and +16.3% for the Russell 2000 Biotech Index over the same period. We are pleased to mark the fifth Anniversary this year with market-beating and peer-leading performance, despite most of the last three years experiencing the sector's second worst bear market in history. Encouragingly, the backdrop is now improving and we believe that we are still in the early innings of a recovery for the sector.

2024 Overview and 2025 Outlook

The Group's NAV returned -4.6% per Ordinary Share over the twelve months to 31 December 2024, slightly underperforming the Russell 2000 Biotechnology Index and the Nasdaq Biotech Index (NBI) which returned +2.5% and -1.4%, respectively. This is the first year that the Group's NAV per share has underperformed, but it remains markedly ahead of sector indices over three years, five years and since admission. Like many listed investment companies, particularly those with private exposure, the Company's share price has lagged NAV per share growth, although the discount narrowed modestly in 2024.

As always, there was plenty of activity in the portfolio to report. One of the benefits of having a full life cycle approach is that there are always opportunities and events including private financing rounds, go-public events, take-outs, clinical developments and royalty distributions.

There were four go-public events from core private positions in the first half: Kyverna, Lenz, Artiva and BioAge. The average step up from holding value to go-public in these four events was +9.7% and the average multiple on invested capital was 1.3x. There was one M&A deal involving Numab, a core private position, which sold its lead program to Johnson & Johnson for US$1.25bn. Being a private position meant that the impact on the Group was less than it might have been had it occurred after the company became public when we normally take bigger positions, but it led to a near 2.6x uplift from the holding value as at 31 December 2024. Combined, these transactions continue to underline the embedded value of the portfolio's private holdings and provide evidence of the robustness of the Group's valuation process. But despite continued successes here, the market appears to discount the private assets.

In the core public portfolio, two genetic medicine companies had the biggest impacts on NAV. Avidity Biosciences announced several positive clinical events for patients suffering from severe muscular diseases which in many cases have no approved drugs. Avidity's share price increased by 221% in 2024, making it a very rewarding investment from a shareholder perspective this year and from our original investment in their 2019 crossover round, since when it has returned a 4.5x multiple on invested capital. Should Avidity succeed through subsequent trials and regulatory approval, it will also be a very rewarding investment from a patient impact perspective too. Rocket Pharmaceuticals' share price struggled in 2024. With no clinical readouts on the calendar, the shares were buffeted by top-down factors whilst it also did not deliver on clinical and regulatory timelines for its two lead programs. Despite the volatility and setbacks, we continue to see value and transformational potential for patients suffering from horrendous diseases like Danon.

Since admission, the Group has made 69 private investments. Thirty-one of these have since experienced liquidity events (by going public or via acquisition). The average holding period as a private investment was fourteen months and the average MOIC to the liquidity event was 1.8x. This was despite a very muted IPO market for most of the last three years. It is important to note that, being a full life cycle investor, we view the IPO as another funding round and a public mark, rather than an exit opportunity, but the step up to the IPO is a nice way to start a public investment especially when one considers the other advantages of investing in the private rounds, most particularly, getting closer to the science to build conviction.

The Group's royalty investments are performing well and provide a differentiated income stream that is uncorrelated to equity markets. The risk adjusted returns are very attractive and highly complementary to the rest of the portfolio.

The ability to offer a full suite of financing solutions to companies helps position RTW Investments as one of the preferred capital providers in the space. Our exposure to royalties is expected to increase in the years ahead as the 4010 Royalty Fund, in which we are invested, draws down capital for new investments.

At the end of the period, the Group had fifty-four core portfolio holdings, a material increase from the start of the year as several new private and public positions were added on top of the new private positions from Arix. Opportunities are abundant and capital is valuable. The core portfolio represents 67.1% of NAV at year end. The "other public" portfolio (mostly matching the long listed names held in the Investment Manager's private funds, devised to mitigate the performance drag of setting aside cash for future deployment into core positions) makes up the remainder. It is important to note that this portion of the portfolio is also expected to generate solid returns through the cycle and is made up of similarly innovative but slightly larger, later stage biotech companies, many of which already have approved drugs.

The market environment for the biotech sector is improving and the opportunity set for stock picking is encouraging albeit the sector's recovery is still early. Changes in interest rate expectations are adding periods of volatility, but good data and good products are being rewarded. Medical science innovation has never been better, financing activity is robust and M&A looks set to rebound. President Trump's appointment for Secretary of Health and Human Services, RFK Jr, has added a little uncertainty but that should lift as it becomes clear that innovation is part of the solution in his pursuit of "making America healthy again".

With a growing pipeline of interesting opportunities at attractive valuations, our private investing activity has returned to normal after a couple of years when it was more optimal to focus on public market opportunities. All parts of our full life cycle portfolio are well positioned and competition for capital within the portfolio is intense.

RTW Bio continues to provide investors with exposure to the most innovative and exciting parts of the healthcare sector via a range of public, private and royalty investments. This full life cycle approach gives our shareholders access to a wide range of investment opportunities that would otherwise be hard to exploit, thus making the Group an attractive holding alongside passive, private equity fund or direct equity healthcare exposures. This proposition is most stark in next-generation obesity drugs, which are mostly still private at this point. With the addition to the portfolio of Kailera and the acquisition by Corxel (formerly known as JiXing) of CX11 (read more on page 31, Strategy in Action), RTW Bio is unique among listed investment companies for shareholders looking for meaningful exposure on the private side to this exciting area.

Private investments since admission

69

Learn more about next-generation obesity drugs in Strategy in Action, **page 30**

Corporate Developments

We are delighted to have completed the acquisition of Arix Bioscience Plc's assets and welcome new shareholders to our register. The combination added capital and scale to our best-in-class platform. RTW Bio is now one of the largest biotech investment companies quoted on the London Stock Exchange and the increased scale, liquidity and awareness has attracted several new potential buyers.

The increased scale that the Arix transaction has brought us has also allowed us to appoint a Senior Independent Director with considerable life sciences experience. Baroness Nicola Blackwood is a leader in science and entrepreneurship. She is a member of the House of Lords, and Chair of Genomics England and Oxford University Innovation. She is also Board Member of the biotechnology company, BioNTech. Nicola is also a member of the Oxford Harrington Rare Disease Centre Advisory Board and the Royal Society Science Policy Expert Advisory Committee. Nicola served as a Minister in the Department for Health and Social Care under two Prime Ministers. As Minister for Innovation, she led on Life Sciences, NHS Data and Digital Transformation, and Global Health Security. She was the first female Member of Parliament for Oxford and was elected by MPs of all parties as the first female Chair of the House of Commons Science and Technology Committee. She remains one of the youngest committee chairs in British history. We are delighted to welcome Nicola, believing that her contributions will help us further our mission to harness innovation in biotech to the advantage of patients and shareholders.

Capital Allocation

Around the time of the Arix closing, the Board increased the previously announced share buyback capacity to help manage any short-term changes in the shareholder base around the deal. In total, the Group bought back 8,500,000 shares in 2024 for a total consideration of US$11,340,306. Buybacks are considered through a capital allocation lens against multiple factors, most importantly, our core objective to deliver long-term capital growth. With this context it is important to recognise that our investments generally consume cash to progress through clinical trials or early commercialisation, so retaining capital and some liquidity is essential, especially in challenging market environments where opportunities are available to those who can provide a quantum of capital quickly. However, in recent times when the Group has received a significant cash inflow (i.e. the sale of Prometheus to Merck and the acquisition of Arix and its substantial cash position), we have returned a portion through NAV-accretive buybacks.

"RTW Bio is now one of the largest biotech investment companies quoted on the London Stock Exchange and the increased scale, liquidity and awareness has attracted several new potential buyers."

As with Prometheus, in the event of cash realisations from public M&A in our portfolio, a proportion of the profits may be used to buy back shares. However, we strongly believe that now is a once-in-a-generation time to be making private and public investments in biotech, so we must balance short term discount considerations that are impacting the whole investment trust industry, and our healthcare peers within it, against very significant medium to long term capital growth potential.

Manager Commitment and Alignment

I am pleased to note the expansion of the Investment Manager's wider team in the UK in recent years, focussing amongst other things on servicing RTW Bio shareholders, and am particularly pleased to note the continued alignment of the Investment Manager with the Group. Since IPO, the Investment Manager has not sold any of its shares in the Company and key principals, including CIO Rod Wong, continue to increase their personal holdings. Last year Rod Wong bought 19,949,441 shares bringing his total shareholding to 49,643,313 (14.8% of ordinary shares in issue not held in treasury). Post period-end he bought additional shares increasing his shareholding to 15.0%. Furthermore, since admission the Investment Manager has only taken one distribution, in shares, from the Performance Allocation share class, increasing its investment in the Group. This further demonstrates both the value of the Group to the Investment Manager and its long-term commitment.

Looking Forward

Whilst 2024 was a challenging year for the biotech sector and UK investment companies, I am very pleased with the compelling long-term performance of RTW Bio and look forward with confidence to the next five years. We enter this period with significant assets under management, increasing public interest in what we do and the skilled support of our manager and other stakeholders. We anticipate many more opportunities to further medical innovations which improve the lives of patients and provide attractive returns to our investors.

2025 AGM

The Company will hold its Annual General Meeting on 9 June 2025 to review the annual results and provide portfolio updates. The meeting will take place at Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey. We would like to dedicate a part of the meeting to address questions from shareholders. We encourage shareholders to submit questions at the following email, and we will endeavour to answer as many as we can: biotechopportunities@rtwfunds.com.

On behalf of the Board, I would like to express my gratitude for your continued support and wish you all the best for 2025.

William Simpson
Chair of the Board of Directors
RTW Biotech Opportunities Ltd
28 March 2025

RTW Biotech Opportunities' 5th Anniversary

RTW BIOTECH OPPORTUNITIES' 5TH ANNIVERSARY

On 30th October 2024, RTW Biotech Opportunities Ltd celebrated its fifth anniversary since listing on the London Stock Exchange (LSE). From listing through to its fifth year, the Group grew its NAV from US$153.0m to US$650.6m and NAV per share by +86.3%. Along the way, several key milestones marked the journey:

- **Market-beating and peer-leading performance:** the Group's NAV per share return of +86.3% over the five years marked RTW Bio as the best performing biotech-focused listed investment company on a NAV per share basis on the London Stock Exchange in that time. This compared to a +37.7% return for the Nasdaq Biotech Index and +16.3% for the Russell 2000 Biotech Index over the same period.
- **A London IPO and subsequent move to the LSE's premium listing:** London was selected as the listing destination because of the benefits of the listed investment company structure. It gives both flexibility and duration to invest opportunistically across the full life cycle, avoiding the pitfalls and structural constraints of venture-only or public-only vehicles. In August 2021, RTW Bio migrated from the Specialist Segment to the Premium Segment, which was subsequently consolidated into the Main Market in 2024. In 2022, the Investment Manager set up an office in London to be closer to the listing, shareholders and investment opportunities in the UK.
- **Prometheus Biosciences acquisition shows the value of full life cycle approach**: In April 2023, Prometheus, a clinical-stage biotechnology company pioneering treatment of immune-mediated diseases, was acquired by Merck for US$10.8 billion. The investment was a great example of the value of full life cycle investing. RTW Bio co-led Prometheus' crossover financing round in 2020, supported it through its IPO in 2021 and ultimately its sale, generating a more than 12x total multiple on invested capital (MOIC) in just over three years.
- **Arix transaction added scale and capital to a best-in-class platform:** In November 2023, RTW Bio announced plans to acquire Arix Bioscience Plc ("Arix"), a venture capital company focused on investing in breakthrough biotechnology companies. Completed in February 2024, the transaction made RTW Bio one of the largest biotech-focused listed investment companies trading on the LSE and provided additional capital at an opportune time in the biotech market cycle.

Learn more about this in our **5th Anniversary Video**

Roderick Wong, MD
Managing Partner

A full life cycle approach to investing in innovative healthcare companies

Financial Highlights, Performance Drivers and Significant Events

Since its listing on the London Stock Exchange on 30 October 2019, the Group has grown the NAV attributable to Ordinary Shareholders from US$168.0 million to US$606.9 million as of 31 December 2024.

The NAV per Ordinary Share has grown +73.8% from US$1.04 to US$1.81 as of 31 December 2024. Disappointingly, the share price has not kept pace with the NAV, returning +34.1% in the same period, as the shares fell to a discount in early 2022 (as did many listed investment trusts) and have remained there since, despite strong NAV per Ordinary Share performance. In 2024, the NAV per Ordinary Share returned -4.6% while the share price returned -0.6%. With continued NAV outperformance versus the market and peers, in addition to an improving outlook for the biotech sector, we would expect the discount to narrow.

Table 1. Financial Highlights

RTW Biotech Opportunities Ltd	Year end reporting period (01/01/2024-31/12/2024)	Previous year end reporting period (01/01/2023-31/12/2023)	Admission (30/10/2019-31/12/2024)
Ordinary NAV – start of period	US$399.3 million	US$326.1 million	US$168.0 million
Ordinary NAV – end of period	US$606.9 million	US$399.3 million	US$606.9 million
NAV per Ordinary Share – start of period	US$1.90	US$1.54	US$1.04
NAV per Ordinary Share – end of period	US$1.81	US$1.90	US$1.81
NAV movement per Ordinary Share	**-4.6%**	**+23.5%**	**+73.8%**
Price per Ordinary Share – start of period	US$1.40	US$1.21	US$1.04
Price per Ordinary Share – end of period	US$1.40	US$1.40	US$1.40
Share price return (i)	**-0.6%**	**+16.0%**	**+34.1%**
Benchmark returns (ii)			
Russell 2000 Biotech	+2.5%	+10.6%	+7.4%
Nasdaq Biotech	-1.4%	+3.7%	+27.6%

(i) Total shareholder return is an alternative performance measure. Share price at 31 Dec 2023 was $1.403 and at 31 Dec 2024 was $1.395.
(ii) Source: Capital IQ

"As full life cycle investors, our belief is that the majority of value creation in biotech happens in the public market, however, it is valuable and important to position oneself and build conviction before an IPO."

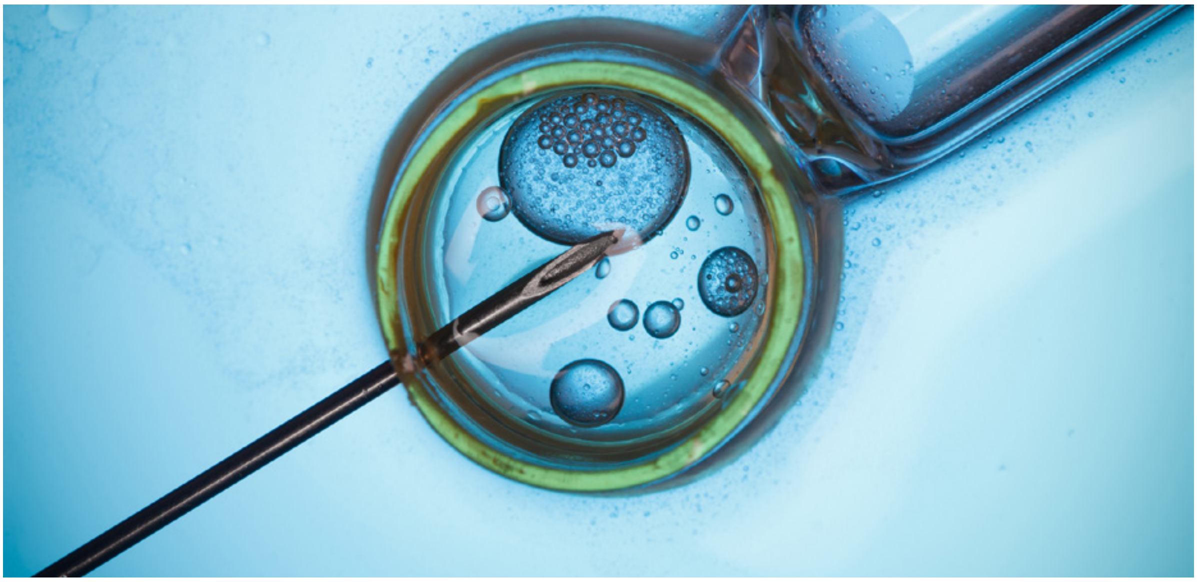
RTW Investments, LP, the "Investment Manager", a leading global healthcare-focused investment firm with a strong track record of supporting companies developing life-changing therapies, created the Group as an investment fund focused on identifying transformative assets with high growth potential across 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 2024 has been driven by the core public positions. This is how the portfolio is designed to function. As full life cycle investors, our belief is that the majority of value creation in biotech happens in the public market, however, it is valuable and important to position oneself and build conviction before an IPO. Our core public position Avidity is a case in point. We co-led the crossover round at the end of 2019 and supported the IPO in 2020. Since then, the company experienced some challenges until reporting great data from several of its programs in 2024. We had significantly increased our position in February 2024 by co-leading an oversubscribed US$400m private placement, proving the value of the Investment Manager's position as a preferred capital provider in the sector. The shares returned +221% over the course of 2024 giving rise to a +12.4% contribution to NAV. The other major contributor was Tarsus, which sits at the other end of the development life cycle, being a commercial stage company. Tarsus' share price rose materially in 2024 as its treatment for demodex infection, Xdemvy, continued to exceed consensus revenue expectations.

Rocket, Immunocore and Cargo were the largest detractors amongst the core public positions. After strong performance in 2023, Rocket's shares performed poorly in 2024. Rocket raised US$165m in a follow-on offering in December after a year in which it did not deliver on clinical and regulatory timelines for its two lead programs. Despite the setbacks, we think both the Danon and Fanconi anaemia programs continue to have transformative potential for patients. Immunocore reported melanoma data at ASCO showing a disappointing sub-20% response rate. It is important to note that both Rocket and Immunocore are multi-pipeline companies, so even if one asset disappoints there are other shots on goal. There was no material fundamental news during the year on Cargo, but with the next catalyst not forecast until 2025, the share price gave back much of the gains it made since its IPO in November 2023. Following period end, Cargo announced it was halting work on its lead candidate after a failed Phase 2 study, followed a couple months later by the discontinuation of its entire pipeline, and the announcement that it would lay off most of its staff and seek a reverse merger or other business combination.

The core private positions made a small contribution led by Numab. Kyverna, Artiva and BioAge Labs completed successful IPOs while Lenz went public through a reverse merger. The average gross multiple on invested capital (MOIC) on our initial investments in these four companies to the go-public event was approximately 1.3x. Numab sold its lead drug candidate to J&J for US$1.25bn. The company's holding value was increased by approximately 2.6x to reflect the deal, which closed in July.

2024 was an auspicious year for RTW Investments-founded Corxel, which changed its name from Ji Xing Pharmaceuticals during the year to reflect an expanding portfolio of global assets. Firstly, Ji Xing (as it was then called) announced that Bayer AG had invested in its Series D financing, whilst concurrently announcing a new strategic collaboration between the two companies focused on cardiovascular diseases in China. Later in the year, Corxel announced two significant transactions in December. First, after successfully completing its Phase 3 trial, Corxel sold its China Aficamten rights to Sanofi. The asset sale recognised the value created by the team and made it possible to in-license ex-China rights to CX11, an oral small molecule GLP-1 for obesity. In a China Phase 2 trial, CX11 showed competitive weight loss with Lilly's Orforglipron, the leading small molecule in development. We believe orals are one of the largest unmet needs in obesity and are excited for Corxel's transformation into a global cardiometabolic company.



New core portfolio companies

21

(2023: 7)

The Group's royalty positions, representing approximately 3% of NAV, made a solid contribution this year, underlining the attractiveness of their uncorrelated, income-oriented returns. The Group's investment in the Investment Manager's 4010 Royalty Fund performed well. 4010 currently holds two investments with Avadel Pharmaceuticals and Urogen Pharma (which is also the underlying asset of RTW Royalty 2). The royalty agreement with Avadel is associated with the sales of Lumryz, which is an extended-release sodium oxybate medication approved by the FDA on 1st May 2023 as the first and only once-at-bedtime treatment for cataplexy or excessive daytime sleepiness (EDS) in adults with narcolepsy. Lumryz's sales ramp is significantly outperforming 4010's underwriting target. The Urogen royalty is connected to two oncology franchises: Jelmyto and UGN-102. The products are topical therapies in the urinary tract for urothelial and bladder cancers, which are typically treated by surgical intervention. Most of the royalty returns are derived from Jelmyto, which is an established and growing product. UGN-102 is nearing FDA approval with Phase 3 data, and we expect it to be approved in early 2025. In the third quarter, 4010 sold its Allurion royalty asset at a small profit including royalties received to date. A sale within the investment period allows us to redeploy the capital into the more attractive risk-reward opportunities we see. 4010 will start distributing on a quarterly basis soon after the final close, which is expected to be in the first half of 2025.

At the outset, the Arix transaction was expected to be accretive, as the cancellation of shares previously owned by Acacia would offset the transaction costs, while the share conversion ratio was set on a NAV-for-NAV basis. However, the Group's NAV appreciated materially versus Arix's between the deal announcement and closure, leading to a small NAV per share dilution on closing, including the revaluation of Arix's private positions. Artios, Evommune and Ensoma increased in value, while we wrote down the values of Depixus, Sorriso and Amplyx. We believe the long-term benefits of the increase in scale and potential future accretion of the acquired positions will far outweigh the short-term costs. The increased cash position at an opportune time allowed us to make investments in a handful of core public positions like Akero that have subsequently been highly accretive to NAV.

Since admission, the Group has made sixty-nine core private investments. At 31 December 2024, thirty-one of these positions had had liquidity events (i.e., go-public or acquisition). The average holding period as private was fourteen months and the average MOIC to the liquidity event was 1.8x. Nineteen of these positions have either concurrently or subsequently been exited in full at an average MOIC of 2.8x.

Table 2. Performance breakdown for the year ending 31 December 2024

Portfolio segment	NAV per share contribution %
Core private	+0.7%
Core public	+2.1%
Avidity Biosciences +12.4%	
Tarsus Pharmaceuticals +3.8%	
Rocket Pharmaceuticals -7.0%	
Immunocore -3.1%	
Cargo Therapeutics -1.5%	
Royalties	+2.4%
"Other public"	-3.8%
Fees and other MTD P&L	-1.1%
Arix transaction and share buybacks	-5.0%
YTD return	**-4.6%**

Following the Board's increase to the share buyback program in January, there followed several intra-month share buybacks in the first half of the year. In addition, the intra-month acquisition of Arix Bioscience significantly increased shares outstanding in mid-February. Due to these fluctuations in weighted average shares outstanding during the period, and because the Group's NAV is calculated on a monthly basis, the above breakdown of NAV contributions by portfolio segment is an estimate for the period 1 January to 31 December 2024.

Key updates for Core Portfolio Companies during 2024:

CLINICAL & COMMERCIAL MILESTONES

MAR

Avidity Biosciences the Group's largest portfolio holding at the time, announced positive long-term data showing reversal of disease progression in people living with myotonic dystrophy type 1 (DM1), across multiple endpoints. Having been impressed by Avidity's initial patient data, the FDA supported using hand opening time, a sensitive and early marker of change, as the primary endpoint for a Phase 3 trial.

Apogee Therapeutics reported interim Phase 1 data supportive of best-in-class convenience for its long-acting IL-13 antibody, a target that Eli Lilly has validated for atopic dermatitis (AD).

Tarsus Pharmaceuticals reported in their results announcement that they saw sales from Xdemvy (the first and only FDA-approved treatment to directly target demodex mites, the root cause of demodex blepharitis) more than double consensus expectations in its first full quarter since launch.

APR

Lenz Therapeutics announced positive topline data from its Phase 3 presbyopia trial, following which the FDA accepted its New Drug Application in October.

JUN

Avidity Biosciences announced "unprecedented" AOC 1020 data from its Phase 1/2 clinical trial. AOC 1020 is an investigational therapy that targets DUX4, the root cause of facioscapulohumeral muscular dystrophy (FSHD). Avidity plans to accelerate initiation of registrational cohorts in its Phase 1/2 trial.

Rocket Pharmaceuticals' progress toward its first approval for Kresladi, for the treatment of LAD-1, was delayed after the FDA issued a Complete Response Letter requesting additional manufacturing information. In our view, the delay should be modest and we are hopeful they will receive the FDA's approval in 2025.

Immunocore's melanoma data showed a sub-20% response rate at ASCO.

Merus (also at ASCO) reported stunning proof-of-concept data in combination with PD1 therapies for the treatment of head and neck cancer. The data demonstrated a 60+% response rate, further evidencing the drug's potential to redefine front-line standard of care.

JAN | FEB | MAR | APR | MAY | JUN

JAN

Ji Xing Bayer AG and RTW Investments announced the US$162 million initial closing of a Series D financing in Ji Xing. Bayer and Ji Xing concurrently announced a new strategic collaboration focused on cardiovascular diseases in China.

FEB

Kyverna Therapeutics priced its US$319 million IPO and began trading on Nasdaq Global Select Market under the ticker "KYTX".

BioAge Labs The Group participated in the US$170 million Series D financing round of BioAge Labs. The capital will be used to fund Phase 2 trials for Azelaprag, an oral drug with the potential to increase weight loss and prevent muscle loss when used together with a GLP.

MAR

Lenz Therapeutics went public through the completion of a merger with Graphite Bio and now trades on the Nasdaq Global Market under the ticker "LENZ".

Mirador Therapeutics The Group participated in the Series A financing round of Mirador Therapeutics, raising over US$400 million for its launch. The Group has worked with Mirador's team previously, when they led Prometheus Biosciences to its acquisition by Merck for US$10.8 billion in 2023.

APR

Obsidian Therapeutics The Group participated in the US$160.5 million Series C financing round of Obsidian Therapeutics, a clinical stage biotech pioneering engineered cell and gene therapies.

MAY

Santa Ana Bio's The Group participated in Santa Ana Bio's Series A financing round that raised $US168 million. Santa Ana is a biotech company developing a pipeline of innovative therapeutics and leveraging its multi-omics platform to unlock the full potential of precision medicines.

JUN

Numab Therapeutics announced that Johnson & Johnson would acquire its wholly owned subsidiary, Yellow Jersey Therapeutics, for $US1.25 billion in cash. Yellow Jersey Therapeutics holds the rights to Numab's NM26, a first-in-class, bi-specific antibody targeting two clinically proven pathways in atopic dermatitis, the most common inflammatory skin disease. The transaction completed in July.

FINANCIAL MILESTONES

NOV

Corxel Pharmaceuticals announced the acceptance by China's National Medical Products Administration (NMPA) of the New Drug Application (NDA) for Aficamten, an investigational, next-in-class selective small molecule cardiac myosin inhibitor for the treatment of obstructive hypertrophic cardiomyopathy (HCM).

JUL

Artiva Biotherapeutics priced its IPO at US$167 million and began trading on Nasdaq Global Market under the ticker "ARTV".

AUG

Jade Biosciences, Inc. The Company made a new investment in the seed round of Jade Biosciences, Inc. that raised US$80 million for its launch. The funding will be used to support Jade's plans to develop targeted therapies for indications with high unmet need across inflammation and immunology.

SEP

BioAge Labs, Inc. ("BioAge") completed a US$198 million IPO and now trades on Nasdaq Global Select Market under the ticker "BIOA".

Aktis Oncology's The Company co-led Aktis Oncology's Series B round, raising US$175 million in financing to further advance its proprietary pipeline of novel targeted alpha radiopharmaceuticals to treat a broad range of solid tumours.

OCT

Kailera Therapeutics The Company announced the launch of new portfolio company, Kailera Therapeutics. The US$400 million Series A financing round was co-led by RTW Investments alongside Atlas Venture and Bain Capital Life Sciences, with participation from Lyra Capital. Kailera is developing a broad, advanced, and differentiated portfolio of clinical-stage injectable and oral therapies that have demonstrated potential as best-in-class treatments for the treatment of chronic weight management.

Evommune, Inc The Company invested in the US$115 million Series C financing round of Evommune, Inc. The Company received a legacy position in Evommune earlier in 2024 when it acquired the assets of Arix Bioscience. Evommune is a clinical-stage biotechnology company discovering and developing new ways to treat immune-mediated inflammatory diseases.

NOV

Mantle Therapeutics The Company made a new investment in the seed round of Mantle Therapeutics. Mantle s a biotech company targeting the treatment of rare, fatal diseases across multiple modalities.

DEC

Ottimo Pharma The Company made a new investment in Ottimo Pharma, a company pioneering bifunctional medicines to extend the lives of people living with cancer. The Series A financing round of over US$140 million will accelerate the lead asset, Jankistomig, a first-in-class PD1/VEGFR2 bifunctional antibody for multiple solid tumour indications, and a pipeline of follow-on bifunctional assets.

Alesta Therapeutics The Company made a new investment in the Series A round of Dutch biotech, Alesta Therapeutics, a company focused on developing transformative small molecule therapies for rare diseases. Its lead asset is an orally active therapeutic candidate for hypophosphatasia (HPP), a rare genetic disorder caused by mutations in the ALPL gene.

City Therapeutics The Company made a new investment in the Series A round of City Therapeutics, a biopharmaceutical company developing a pipeline of next-generation RNAi-based medicines to make a significant impact for patients across multiple therapeutic areas.

Corxel Pharmaceuticals announced that it had entered into a definitive agreement whereby Sanofi would acquire its exclusive rights to develop and commercialise Aficamten in Greater China for an undisclosed amount. The transaction has since closed.

Portfolio breakdown and new investments

Core public positions are typically investments that were added to the 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 and royalty investments.

As of 31 December 2024, the Group's core positions accounted for 67% of NAV (2023: 67%) and included fifty-four companies (2023: 36) in private and public biotech and medtech companies and royalty investments. We selected these investments based upon our rigorous assessment of the science, commercial potential and valuations. Table 3 shows the top ten portfolio investments at the end of the reporting period.

Core private investments accounted for 30% of NAV at 31 December 2024 (2023: 18%) across thirty-three investments (2023: 22). The increase in exposure and number of investments in the reporting period reflects the addition of several new private positions (see Table 4 alongside the new private investments from Arix (Ensoma, Evommune, Depixus, Sorriso and Amplyx) less Kyverna, BioAge and Artiva which went public via IPOs and Lenz, which went public via a reverse merger.

Core public investments accounted for 34% of NAV (2023: 39%) across nineteen positions (2023: 12). The change in exposure and number of investments mostly reflects underlying performance, the graduation of Kyverna and Lenz to the public markets and the addition of Akero, Urogen, 89Bio and Merus.

Royalties accounted for 3% of NAV (2023: 10%) across two investments (2023: 2): RTW Investments' 4010 Royalty Fund (4010) and RTW Royalty 2. These investments are cash generative, providing life sciences exposure that is uncorrelated to the volatility of the equity markets, and have limited scientific risk due to their being typically constructed around commercial products. The reduction in exposure reflects a rebalanced exposure to 4010 after new investors came into the fund and the sale and transfer of a portion of RTW Royalty 2's underlying assets.

Core portfolio companies

54

(2023: 36)

"Other public" listed companies make up 31% of the Group's NAV at 31 December 2024 (2023: 20%). The "other public" portfolio segment is designed as a cash management strategy to mitigate the drag of setting aside cash for future deployment into core positions and to provide ready cash as needed for those purchases. The 50 "other public" holdings are carefully selected, mostly matching, on a pro-rata basis, the long investments held in our private funds and generally rebalanced on a monthly basis. The investments represented in this portfolio are similarly categorised as innovative biotechnology and medical technology companies developing and commercialising potentially disruptive and transformational products but are generally later stage (both in terms of clinical development and duration as a public company), have larger market capitalisations and have greater trading liquidity than our core public positions. The average market capitalisation of the "other public" holdings is $8.8b at 31 December 2024. Available cash at 31 December 2024 was 2%, significantly lower than at the same point last year (13%). The elevated cash position at 31 December 2023 was in preparation for the purchase of a stake in Arix Bioscience, which closed in January 2024. From time to time, we may make use of derivatives and other instruments to manage individual position sizing for the purpose of efficient portfolio management. In 2024, the use of derivative and hedging shorts increased for this reason.

Our "full life cycle" portfolio is diversified across clinical stages, capital position (i.e., equity and royalty), treatment modalities, and therapeutic focus giving it multiple, differentiated return levers and horizons. 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 that successfully navigate clinical, regulatory or commercial inflection points.

While the portfolio is still majority invested in US-based companies, we are committed to adding UK and EU investments in an effort to support the best assets across the globe and help foster local biotech ecosystems. When we first came to market in October 2019, we had zero exposure to the UK, now two of our top ten positions are based in the UK: Immunocore (public: "IMCR") and Artios (private).

Looking forward, we expect the total portfolio sector allocation to remain close to 80% biopharmaceutical assets and 20% medical technology assets. In line with prospectus guidance, we anticipate two-thirds of new private 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. Royalty investments will be limited to approximately 15% of NAV.

Table 3. Top ten core portfolio positions as of 31 December 2024[1]

Portfolio Company	Description	Ticker	Therapeutic Area	Clinical stage	Expected upcoming catalyst	% NAV
Corxel	RTW Investments incubated biotech committed to bringing innovative therapies to underserved patients with cardiometabolic diseases.	Private	Cardiovascular	Phase 3	CX11 global Ph2 trial begins Q2 2025	8.5%
Avidity	Antibody conjugated RNA medicines company. Lead program for myotonic dystrophy.	RNA	Rare Disease	Phase 3	FSHD trial update in H1 2025	7.3%
Tarsus	Biotech developing first-in-class therapeutics for ophthalmic conditions.	TARS	Ophthalmology	Commercial	Q1 earnings in April	6.0%
Akero	Clinical-stage company developing treatments for patients with serious metabolic diseases, including non-alcoholic steatohepatitis.	AKRO	Metabolic	Phase 3	Ph3 SYNCHRONY data H1 2026	5.2%
Rocket	Gene therapy platform company for rare paediatric diseases. Four clinical programs for Fanconi anaemia, Danon, LAD, and PKD	RCKT	Rare Disease	Phase 3	Danon patient dosing and PKP2 data H1 2025	5.1%
Artios	Developing breakthrough cancer treatments that target DNA Damage Response pathways. RTW Bio position increased as part of Arix transaction.	Private	Oncology	Phase 2	ART0380 Ph1 data Q2 2025	4.9%
Kailera	RTW Investments new company creation based on a pipeline of injectable GLP-GIP and oral GLP drugs in-licensed from Jiangsu Hengrui Pharmaceuticals, one of China's leading biopharma companies.	Private	Metabolic	Phase 3	June 2025 – high dose KAI7535 China data	3.4%
Ensoma	Genomic medicines company developing one-time, in vivo treatments that precisely engineer any cell of the hematopoietic system for immuno-oncology, genetic disease and other therapeutic applications.	Private	Rare Disease	Preclinical	Chronic granulomatous disease Phase 1 Q2 2025	2.6%
Immunocore	T-cell receptor therapy company focused on oncology and infectious disease.	IMCR	Oncology	Commercial	HIV MAD H125	2.3%
RTW Royalty Fund	RTW Investments-created private fund aimed at generating returns from rights to royalty stream distributions from biopharma & medtech life sciences companies.	Private	Neurology	Commercial	Quarterly earnings for underlying companies	2.0%

1 Positions are shown on a net basis. Any differences with the Schedule of Investments are due to short holdings.

Table 4. New core portfolio investments greater than 50bps in 2024[1]

Company name	Public/Private	Description	% NAV
Kailera	Private	RTW Investments new company creation based on a pipeline of injectable GLP-GIP and oral GLP drugs in-licensed from Jiangsu Hengrui Pharmaceuticals, one of China's leading biopharma companies.	3.4%
Ensoma[2]	Private	Genomic medicines company developing one-time, in vivo treatments that precisely engineer any cell of the hematopoietic system for immuno-oncology, genetic disease and other therapeutic applications.	2.6%
Evommune[2]	Private	Clinical stage biotechnology company developing novel therapies to treat immune-mediated chronic inflammatory diseases.	1.1%
Aktis	Private	Developing a proprietary pipeline of novel targeted alpha radiopharmaceuticals to treat a broad range of solid tumours.	0.8%
Jade	Private	Developing a pipeline of therapies aimed at transforming the standard of care for patients living with autoimmune diseases.	0.6%
Ottimo	Private	Biotech company focused on the development of cancer therapies for solid tumours.	0.5%
Akero	Public	Clinical-stage company developing treatments for patients with serious metabolic diseases, including metabolic dysfunction-associated steatohepatitis (MASH).	5.2%
89Bio	Public	Clinical-stage biopharmaceutical company developing innovative therapies to treat patients with liver and cardiometabolic diseases.	1.2%
Merus	Public	Public, clinical-stage oncology company developing full-length human bispecific and trispecific antibody therapeutics with a broad application for human disease, with a focus on head and neck cancer.	0.8%

1 Includes new privates, re-designations from “other public” to core public and Arix acquisition positions.
2 Arix-acquired position

Royalty Financing

What is royalty financing?

Financing based on royalty payments. In exchange for an upfront payment, investors receive quarterly cash payments based on a pre-determined percentage of the future revenues of a specified product or asset. Within healthcare, royalty financing is a growing source of funding for small and medium-sized companies launching new drugs. A bespoke solution that aligns the interest of the provider/investor with the company through revenue participation, while avoiding some of the negatives of debt (i.e. covenants, refinancing, warrant coverage etc.) is an increasingly popular one.

How does RTW Bio gain exposure to royalty financing?

Historically, RTW Bio has made royalty investments directly alongside other RTW Investments funds through individual vehicles such at RTW Royalty 1, which held the Mavacamten royalty that was subsequently sold to Bristol Myers Squibb. Since 2023, RTW Bio has gained exposure to royalties through the RTW Investments-managed 4010 Royalty Fund ("4010") on a no fee basis. It is expected that RTW Bio will continue to gain exposure to royalties through successor vintages of 4010. Investing through a co-mingled drawdown fund has several benefits from a cost and administration perspective.

The 4010 Royalty Fund

The 4010 Royalty Fund is looking to generate uncorrelated, income-oriented returns for investors by targeting a gap in financing available to small and medium-sized companies launching first-in-class or best-in-class products with high unmet needs. RTW Investments’ full life cycle investment platform provides 4010 with several advantages by seeing more royalty opportunities earlier and with greater underwriting insight. These advantages combined with RTW Investments’ in-house transactional capabilities allow it to offer holistic financing solutions to companies and to structure innovative deals to protect downside for investors.

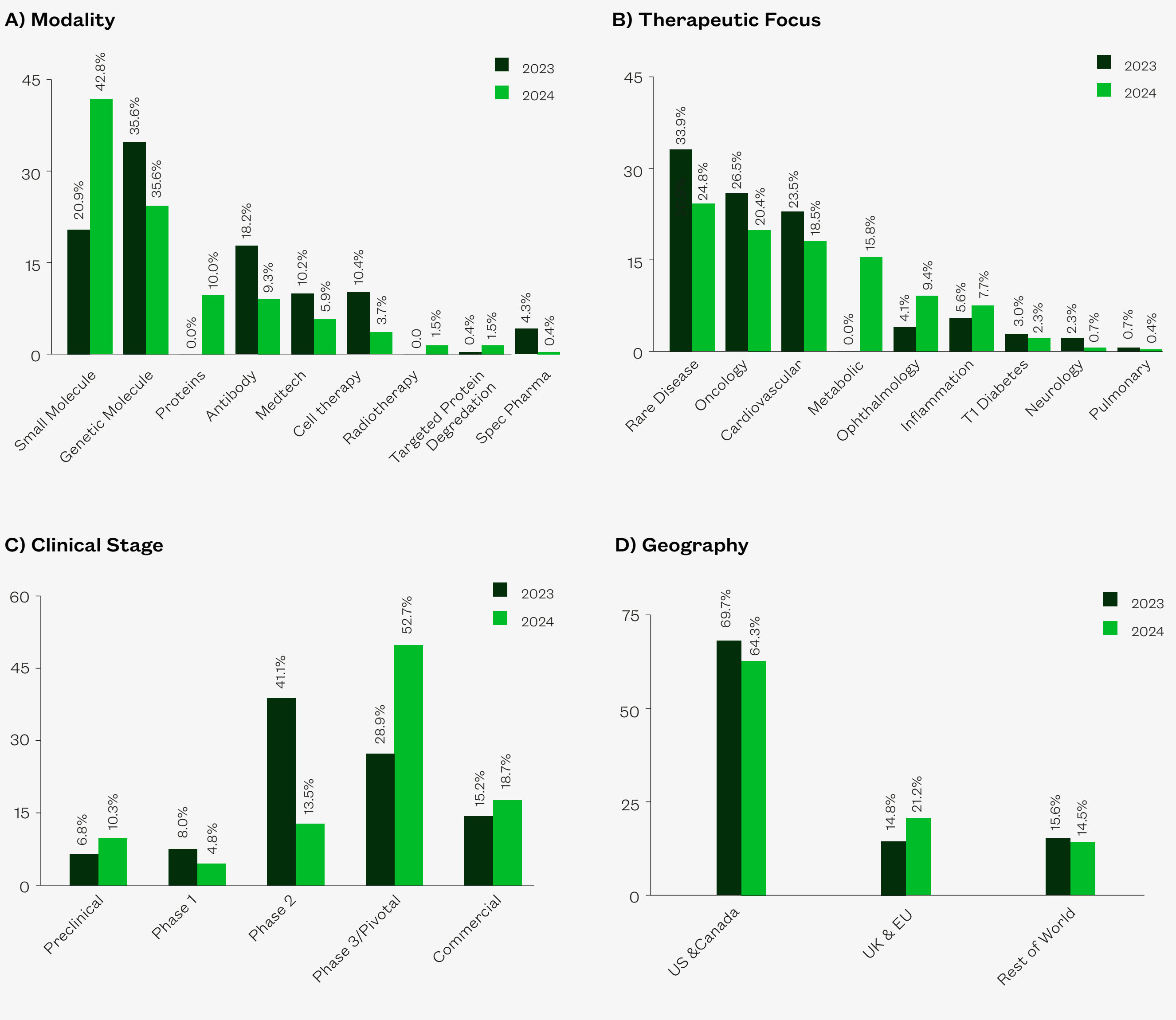
Table 5. NAV capital breakdown as of 31 December 2024 and 31 December 2023

Portfolio grouping	% of NAV at 31 Dec 2024	% of NAV at 31 Dec 2023
Core private	30.3%	17.6%
Core public	34.1%	39.3%
Royalties	2.7%	9.8%
Other public	30.5%	20.4%
Available Cash[1]	2.3%	12.9%
Total	100%	100%

1 As defined in Alternative Performance Measures.

Core portfolio breakdown

Figure 1. Core portfolio breakdown, by (A) Modality, (B) Therapeutic focus, (C) Clinical stage and (D) Geography as of 31 December 2024.



Except for clinical stage, these breakdowns do not include royalty vehicles.

Table 6. Core portfolio positions greater than 50 bps, as of 31 December 2024 and 31 December 2023[1,5]

Portfolio Company	Private or Public[2]	% of Group's net assets at 31/12/2024	% of Group's net assets at 31/12/2023
Corxel	Private	8.5%	7.9%
Avidity[3]	Public	7.3%	1.4%
Tarsus	Public	6.0%	1.5%
Akero	Public	5.2%	0.0%
Rocket	Public	5.1%	17.9%
Artios	Private	4.9%	0.2%
Kailera	Private	3.4%	0.0%
Ensoma	Private	2.6%	0.0%
Immunocore	Public	2.3%	7.4%
RTW Royalty Fund	Private	2.0%	6.1%
Milestone[3]	Public	1.7%	2.0%
Beta Bionics	Private	1.5%	1.7%
Cargo	Public	1.4%	4.0%
89Bio Inc	Public	1.2%	0.0%
Evommune	Private	1.1%	0.0%
Lycia	Private	1.0%	0.2%
Apogee Therapeutics	Public	1.0%	1.8%
Ancora	Private	0.9%	1.1%
Aktis	Private	0.8%	0.0%
Merus	Public	0.8%	0.0%
RTW Royalty 2	Private	0.7%	3.7%
NiKang	Private	0.7%	1.4%
Magnolia	Private	0.6%	0.7%
Orchestra[4]	Public	0.6%	2.1%
Jade	Private	0.6%	0.0%
Ottimo	Private	0.5%	0.0%

1 The aggregate exposure of names below 50 bps, consisting of 26 positions, is 4.8% of the Group's NAV.
2 Names in which the fund owns both private and public securities of a public company are categorised as public.
3 Includes pre-funded warrants.
4 Includes shares held in the initial SPAC vehicle (HSAC2) that merged with Orchestra in January 2023.
5 Positions are shown on a net basis. Any differences with the Schedule of Investments are due to short holdings.

Table 7. RTW Investments representation on portfolio company boards as of 31 December 2024

Portfolio company[1]	RTW representative on the board
Corxel	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
RTW Royalty 2	Matthew Bieret
Kailera	Gotham Makker
Ensoma	Piratip Pratumsuwan
Artios	Chris Liu

1 In aggregate these represented 26.7% of the Group's NAV at 31 December 2024.

Table 8. Top 5 "Other Public" portfolio segment holdings as of 31 December 2024[1]

Position	Ticker	% of NAV	Description
Madrigal Pharmaceuticals Inc.	MDGL	5.9%	Commercial-stage biopharmaceutical company focused on improving care for patients with non-alcoholic steatohepatitis (NASH) and metabolic dysfunction associated steatohepatitis (MASH).
Dyne Therapeutics Inc.	DYNE	4.1%	Biotechnology company developing oligonucleotide therapies for rare diseases that affect muscle tissue.
Stoke Therapeutics Inc.	STOK	2.3%	Clinical stage biotech developing RNA treatments for severe genetic diseases.
PTC Therapeutics Inc.	PTCT	2.0%	Commercial-stage global biopharma developing therapies for people living with rare neurological and metabolic diseases.
Argenx SE	ARGX	2.0%	Commercial-stage global immunology company developing treatments for severe autoimmune diseases.
Total		16.3%	

1 Positions are shown on a net basis. Any differences with the Schedule of Investments are due to short holdings.

Private Portfolio Valuations and Cash Runway Analysis

The core private positions are the foundation of the Group's strategy. They are built on our rigorous assessment of the best investment opportunities we can find. We have always been highly selective in this area, focusing only on companies with both well-founded science and attractive commercial opportunities. We have benefited from this discipline as we continue to emerge from a challenging capital markets environment. We have a private portfolio that is well-sized and well-funded.

As of 31 December 2024, the average cash runway of our core private companies was slightly over two years, which provides them with sufficient time to focus on clinical development plans. About a fifth have less than six months of runway, one of which is an RTW Investments company creation, which is by design, as the Investment Manager's funds have the flexibility to inject cash when necessary. The remainder are working on various capital raising solutions.

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, utilising 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 Board delegates valuation of the private investments to the Investment Manager while the Board's Audit Committee oversees the integrity of the valuation process and conducts an independent review of the Investment Manager's valuation policies and procedures twice a year when the interim and annual statements are produced and also on an ad hoc basis when appropriate.

The process is overseen at the Investment Manager by the RTW Investments Valuation Committee. The Committee is supported by RTW Investments' valuation team that is independent from the investment team and receives advice from two independent third-party valuation firms. The Valuation 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 a year in helping to determine the fair value of each material private investment.

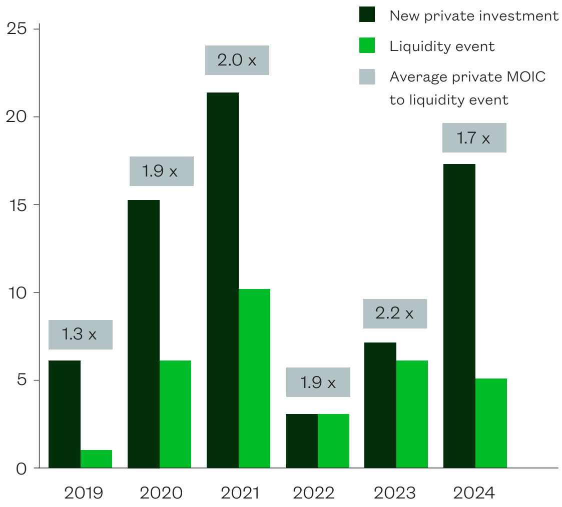
Thirty core private and royalty positions saw a total of seventy-one valuation adjustments in 2024 with an average of two adjustments per position. Fourteen positions (not including the Arix positions) were marked up by an average of 38.3% (excluding Numab, which was marked up by 264% to reflect the deal with Johnson & Johnson, the average was 21.0%); 11 positions (not including Arix positions) were marked lower by an average of -20.1%. The balance remained unchanged. 29% of the markdowns were primarily driven by changes to relative comparables or market-based inputs. 38% of the markups were primarily driven by comparables, and 62% were primarily driven by idiosyncratic company performance, a financing round or transaction. At year end, the average time since the last third-party valuation was seven weeks and an average of twelve months had elapsed since the last financing round.

Of the positions acquired from Arix, we wrote up the values of Artios, Evommune and Ensoma and we look forward to seeing them develop further in the future. We wrote down the values of Depixus, Sorriso and Amplyx which are immaterial in the context of the whole portfolio.

We believe that the value of the private portfolio is best demonstrated by go-public events or transactions. The five such go-public events in 2024 (including the Numab acquisition) saw an average step up from our holding value to the event of 8%. The average MOIC to the event was 1.7x. This is consistent with our historical averages (Figure 2).

Read more in the Report of the Audit Committee **page 60**

Figure 2. New private investments, private liquidity events[1] and private MOIC[2]



1 Liquidity event = IPO, SPAC merger, reverse merger, acquisition from private.
2 Multiple of Invested Capital ("MOIC") represents the ratio of total value to the corresponding amount of total capital invested, expressed as a multiple. Gross MOIC is utilised, which is calculated before giving effect to management fees, carried interest, taxes and other expenses, which would reduce performance and the rate of return.

Figure 3. Core private portfolio – approximate cash runway as of 31 December 2024

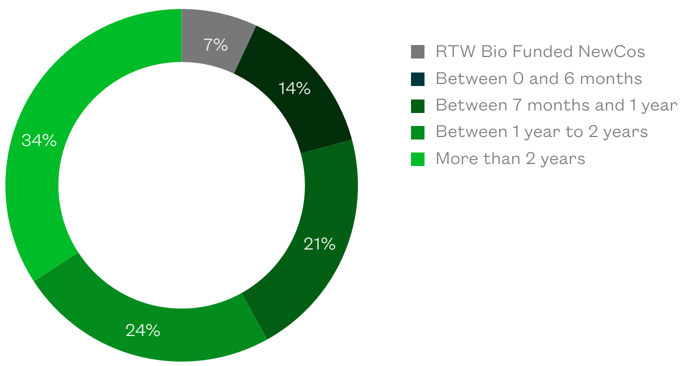


Table 9. Private Valuation Statistics for 2024

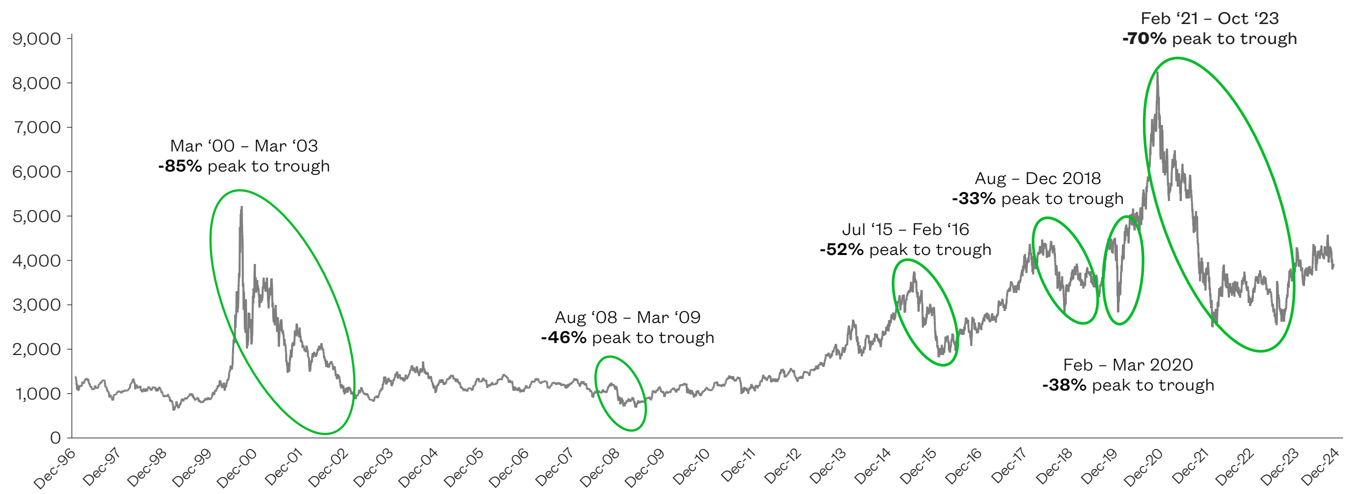
Statistic	2024
Number of revaluations in 2024	71
Average revaluations per investment	2
Average time since last third-party valuation (weeks)	7
Average time since last financing round (years)	1.0
Average valuation change[1]	+10.9%
Average mark-up[1]	+38.3%
Average mark-down[1]	-20.1%
Average step-up to realisation event	+7.9%
Average MOIC to realisation event	1.7x

1 Does not include positions acquired in the Arix transaction

Sector review and outlook

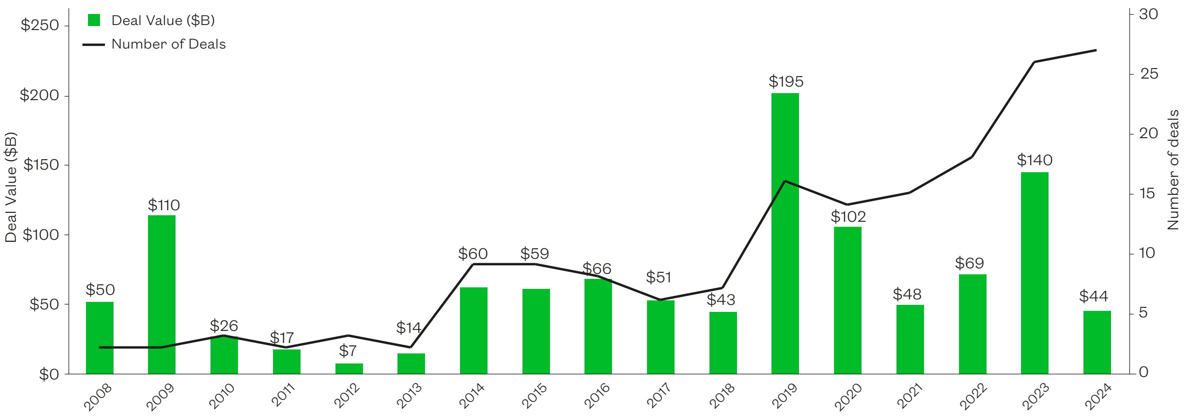
The Russell 2000 Biotech Index and the Nasdaq Biotech Index (NBI) returned +2.5% and -1.4%, respectively, in 2024. The Russell 2000 Biotech Index remains below levels first reached in 2018. Interest rate worries dominated for much of the year and continued to after the US Federal Reserve's latest shift in December. While the results of the first round of Inflation Reduction Act (IRA) drug negotiations were on the better end of expectations, the uncertainty surrounding RFK Jr's nomination and subsequent appointment as Trump's Secretary of Health and Human Services became a new reason for some to stay on the sidelines. Coming into 2024, the biotech sector had already underperformed the S&P 500 by a record amount and this continued through the year with -26% and -22% relative performance for the NBI and the Russell 2000 Biotech Index, respectively. Eli Lilly basically carried biopharma, generating ~US$200B in market cap while the rest of pharma (-US$180B) and biotech (+US$20B) combined, lost value. The total market cap of small and midcap biotech is only US$700bn, less than Lilly alone and about the same value as the market cap that Nvidia lost on "DeepSeek Monday" (i.e. 27th January 2025). If some flows are diverted from AI-tech to biotech, the impact on biotech could be significant given the relative market caps we see these days.

Figure 4. Russell 2000 Biotechnology index value



M&A was too small to get things going. While five-hundred-million-dollar-plus acquisition volumes remain near record highs (27 vs last year's record 26), dollar value dropped to US$44 billion vs US$140 billion in 2023. This was the first year in twenty that we did not see an M&A deal over US$5 billion in value as there was a shift towards earlier stage assets as some buyers (namely Lilly, Novo, AbbVie, and AstraZeneca) are focused on revenues beyond 2030. To compound matters, China's bear market has increased the supply of early-stage assets looking for capital, giving buyers more options. Despite this dynamic, we don't think this spells the end for larger late-stage deals. Merck, Bristol, Roche, Novartis, and Sanofi are still on the hunt for revenues this decade and Lilly and Novo are sure to get more aggressive as their obesity revenues grow. Several large pharma companies face losses of exclusivity patent cliffs totalling approximately US$500bn over the next decade and currently have approximate US$1 trillion of dry powder (cash plus debt capacity) to make acquisitions. Only western biotech companies have the late-stage assets needed to fill their needs and a more friendly Federal Trade Commission (FTC) in the US should lower the barriers that have discouraged bigger deals in recent times.

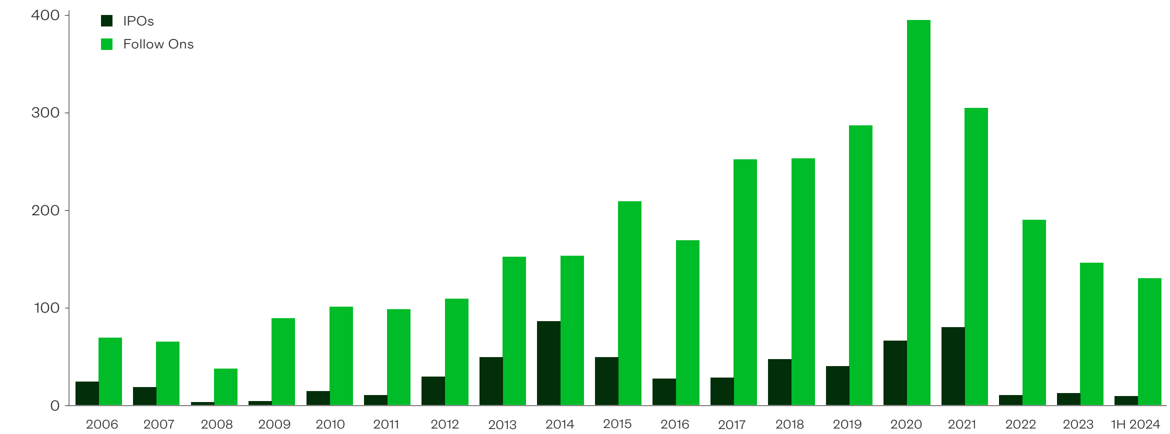
Figure 5. US biotech M&A deal volumes and value



Source: Jefferies Biotech M&A Report 2008-2004 as of 31 December 2024

IPOs made incremental progress towards normalisation. 17 companies made it out this year versus 12 last year. This is consistent with a slow transition from a bear market (less than 10) to a healthy one (more than 30). Consolidation also continued. After peaking in 2021 at 590 publicly traded small and mid-caps, the number is now 547. Most small and mid-cap companies have been disciplined around spending, with cash burn trending lower to extend runways. Public follow-on financing activity returned to near record levels as companies with good data were able to raise the capital they needed. Venture financing is extremely robust. Every category from Series A to D surged in 2024 supported by many "mega-rounds" (i.e. more than US$250m) in the As and Bs, the fuel for future waves of innovation.

Figure 6. US Biopharma Financing Market – IPOs and Follow-Ons



Source: Bloomberg and Lazard 2024 Life Sciences US Equity Issuance Recap report as of 31 December 2024.

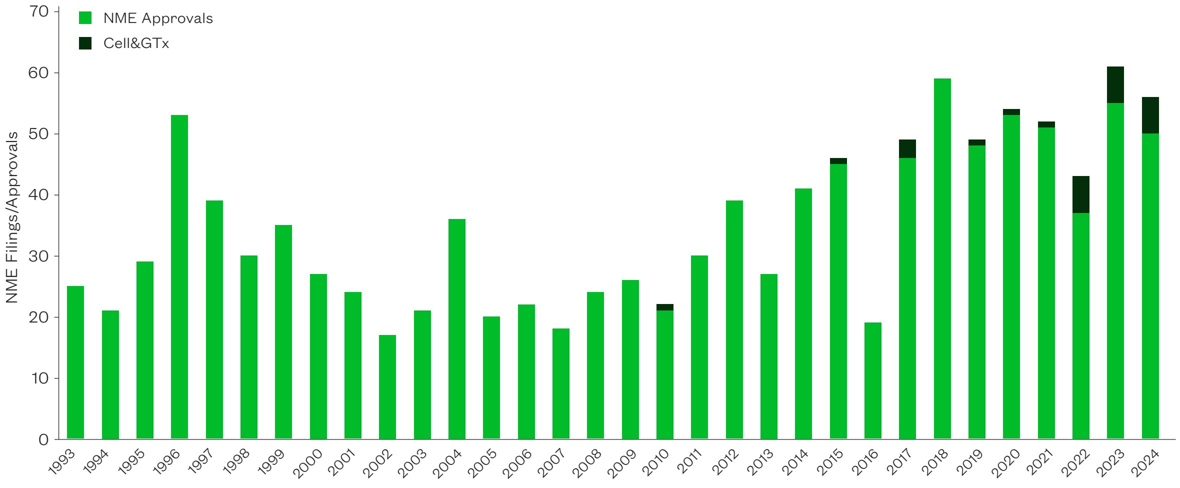
The FDA approved 56 novel drugs this year, shy of last year's record-setting 61, but still one of the highest in history. Novel modalities made up 10 vs 14 last year, including two gene therapies, four cell therapies, one RNA medicine, and three bispecifics. 2024 saw notable breakthroughs across therapeutic areas with the first approval for NASH (the most severe form of nonalcoholic fatty liver disease), the first cell therapy approved for solid tumours, bispecific data that could potentially challenge Keytruda's dominance in solid tumours and compelling CD19 CAR-T data demonstrating the possibility of drug-free remission in autoimmunity, not to mention the significant advances in obesity (more below). It's worth noting that 56% of last year's approvals came from biotech companies under $5bn in market capitalisation. This is where the innovation is. 2025 holds the potential to be on par with record-setting 2023 with many highly probably PDUFA dates set.

17

companies went public in 2024

(2023: 12)

Figure 7. The FDA approved 56 novel drugs in 2024



Source: FDA.gov website (CDERS and CBER)
NME = new molecular entity
GtX = gene therapy

FDA approved novel drugs

56

(2023: 61)

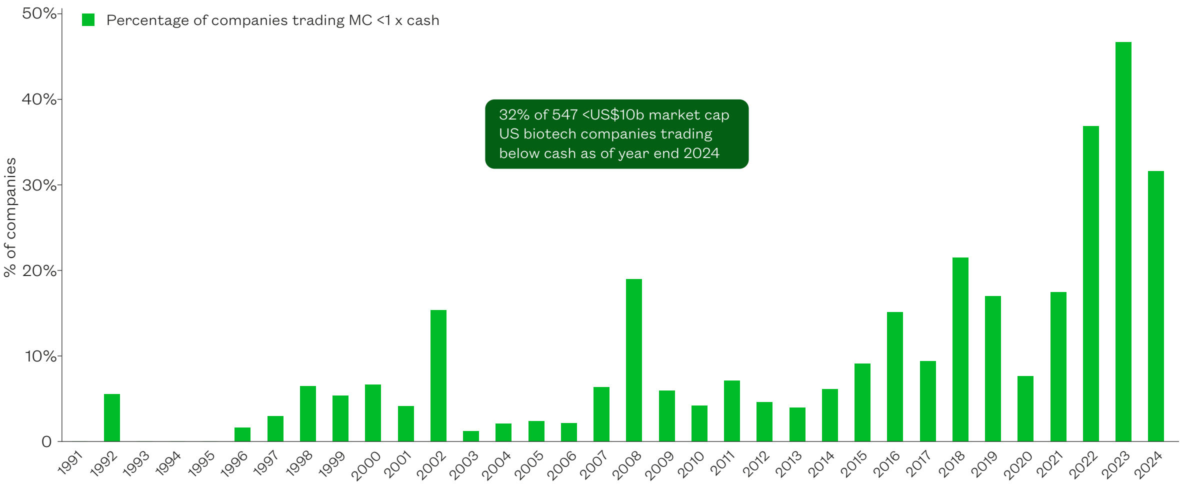
Read more in Strategy in action **page 30**

We are tracking how the Department of Human and Health Services (HHS) could look under RFK Jr's leadership. Considering the scope of the job, guardrails, and players surrounding him, we currently don't expect a change in direction when it comes to FDA's pro-innovation trend. Innovation momentum could go either way, depending more on Dr Marty Makary and other staff. Separately, we are optimistic we could see pharmacy benefit manager (PBM) and insurance reform. If and when RFK Jr uncertainty declines, we would note that the sector outperformed the S&P 500 in two of the past three Republican first terms, and we would expect no different an outcome today, given the promising science our team is evaluating daily.

From a modality or therapeutic area perspective, oncology, immunology, rare disease and obesity remain a focus with next generation obesity drugs probably offering the most exciting opportunities. We call it "the $1 trillion GLP-1 revolution" because it is the first innovation in healthcare – not just drugs, all of healthcare – to create about US$1 trillion in value. Obesity is the most common disease in Western society with over 100m obese people in America alone. It is highly linked to three of the top ten causes of death: cardiovascular, stroke and diabetes. It is also strongly associated with other diseases like cancer, kidney disease and maybe even dementia. Recent outcome studies from some of the GLP-1s are showing 20-30% improvements in these other associated diseases and conditions. It is probably the most significant medical advance in terms of the sheer impact that we have seen in recent history (more below in the Impact section). If you want to learn more about the science, impact, evolving competitive landscape, and the opportunities we see, please check out The RTW Podcast: "The $1 Trillion GLP-1 Revolution". You can find it on all the main podcast platforms.

In the here and now of policy speculation and public share prices, it is easy to lose sight of the drastic longer-term need for a healthy, innovative healthcare system. Globally, senior populations (i.e. over 65 years old) are expected to double from 800m in 2024 to 1.6bn in 2050. In the US, people over 65 represent 18% of the current population but 36% of the health spending. Innovation is part of the solution.

Figure 8: Percentage of US small- and midcap biotech companies trading at less than cash on their balance sheets at 31 December 2024



Privately-held portfolio companies

33

(2023: 24)

Post period-end updates and other key portfolio company events

The following events all occurred in January 2025:

Kailera announced positive topline data from the 8 mg dose of Hengrui Pharmaceuticals' Phase 2 clinical trial (HRS9531-203) of HRS9531, a GLP-1/GIP receptor dual agonist, in individuals living with obesity or who are overweight. The clinical trial results showed that a once-weekly subcutaneous injection of the 8 mg dose demonstrated a statistically significant placebo-adjusted mean weight loss, with no plateau. Additionally, 59% of treated participants achieved a weight loss greater than 20%. The trial results also demonstrated a favourable safety profile. These results increase our confidence that Kailera is one of the leading players in next-generation obesity management and bode well for Kailera's planned global Phase 3 trial.

Akero (Nasdaq: AKRO) released preliminary topline results from its Phase 2b study evaluating the efficacy and safety of its lead product candidate efruxifermin (EFX) in patients with compensated cirrhosis due to metabolic dysfunction-associated steatohepatitis MASH. Treated patients demonstrated a statistically significant improvement in fibrosis with no worsening of MASH, representing a 24% effect size over placebo at 15%. Upon the news, shares in Akero, a 5.2% position at year end, rose 100%.

Cargo Therapeutics announced it was halting work on its lead candidate after a failed Phase 2 study, followed a couple months later by the discontinuation of its entire pipeline, and the announcement that it would lay off most of its staff and seek a reverse merger or other business combination.

Beta Bionics went public on 30 January, issuing 12 million shares of common stock at US$17.00 each, raising proceeds of US$204 million. The shares now trade on the Nasdaq Global Market under the ticker symbol "BBNX".

RTW Investments, LP
28 March 2025

Transforming the lives of millions

IDENTIFY

1. Identify transformational innovations

The Investment Manager 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

2. Engage in deep research to unlock value

The Investment Manager 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 bringing effective, or in some cases, even fully curative outcomes to patients.

RTW Bio'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, complemented by years of investment, company building, and both transactional and legal expertise.

BUILD

3. Build new companies around promising academic licences

The Investment Manager has capabilities to partner with universities and in-license academic programmes, by providing capital and infrastructure to entrepreneurs to advance scientific programmes. Particularly in rare disease, there is often little existing research and 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 developing potentially curative treatments.

SUPPORT

4. Support investments through the full life cycle

A key part of the Investment Manager's competitive advantage is the ability to determine at which point in a company's life cycle we should support the target asset or pipeline. As a full life cycle investor, RTW Investments provides growth capital, creative financing solutions, capital markets expertise, and guidance. Taking a long-term, full life cycle approach and having an evergreen structure enables us to avoid the pitfalls and structural constraints of venture-only or public-only vehicles. RTW Investments' 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.

IMPACT FOCUS

Treating obesity and related conditions

Obesity is the most common disease in Western society

Obesity affects more than 100 million US adults, more than 764 million people globally and is the most common disease in Western society.

What are GLP-1 drugs?

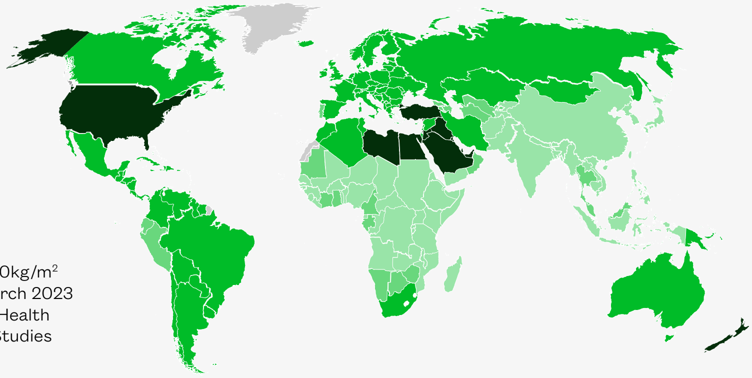
GLP-1 drugs, also known as GLP-1 receptor agonists or incretin mimetics, mimic the action of a naturally occurring hormone called glucagon-like peptide-1 (GLP-1), which is produced in the intestines. GLP-1 plays a crucial role in regulating blood sugar levels by stimulating insulin release, slowing stomach emptying and reducing appetite. GLP-1 drugs work by binding to the same receptors as the natural GLP-1 hormone, triggering these same actions. This can help improve blood sugar control in people with type 2 diabetes and promote weight loss in people with obesity or who are overweight. The term "GLP-1 drugs" has become shorthand for a broader category of (incretin mimetics) drugs that are used to treat obesity, so are informally known as "obesity drugs".

Obesity Drugs: the most significant medical advance in terms of the sheer impact that we have seen in recent history

GLP-1 drugs like Wegovy and Mounjaro have gained significant popularity for weight loss since 2021 when the FDA approved semaglutide (Wegovy) for chronic weight management in adults with obesity or who are overweight with weight-related conditions. GLP-1 drugs were initially developed to treat type 2 diabetes. In fact, Wegovy is a higher-dose formulation of Ozempic, a drug that was already marketed for diabetes. The first GLP-1 agonist, exenatide (Byetta), was approved by the FDA in 2005 and iterative innovation over the subsequent twenty years has brought us to where we are today.

Obesity is a major risk factor for a number of chronic diseases like diabetes, hypertension and liver disease, as well as cardiovascular diseases such as heart disease and stroke, which are the leading causes of death worldwide. So, the health impacts of the obesity drugs go well beyond diabetes and weight loss. In fact, recent outcome studies from some of the GLP-1s are showing 20-30% improvements in some of these diseases.

Obesity affects >100m US adults and >764m people globally



Note: * BMI ≥30kg/m²; ** BMI ≥40kg/m²
Source: World Obesity Atlas, March 2023 report; Stierman 2021 National Health Statistics Report; Prospective Studies Collaboration 2009 Lancet

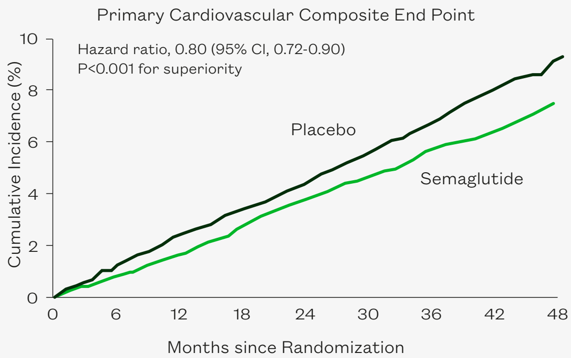
RTW Bio and obesity drugs / GLP-1s

Currently, Eli Lilly and Novo Nordisk are leading the way with their GLP-1 drugs with the only currently approved drugs. However, their rates of adverse side effects are not optimal, and there are a lot of ways in which these drugs can be improved. We are still early in the current cycle of obesity drug development and the next generation of drugs are targeting many of the shortcomings of the incumbents.

Obesity (and its related conditions) is a large and growing focus for RTW Bio, and we are at forefront of the second wave of the obesity revolution, leveraging cutting-edge science and strategic partnerships to invest in exciting assets. With a portfolio of private obesity investments, RTW Bio is unique among listed investment companies for shareholders looking for exposure on the private side to the area.

Groundbreaking data from SELECT trial:

GLP-1s shown to improve MACE[1] outcome in overweight or obese adults



Source: Lincoff AM, Brown-Frandsen K, Colhoun HM, et al. Semaglutide and cardiovascular outcomes in obesity without diabetes. N Engl J Med 2023;389:2221-32. DOI: 10.1056/NEJMoa2307563

1 MACE, or major adverse cardiovascular events, refers to cardiovascular death, myocardial infarction (heart attack), stent thrombosis (blood clot in a coronary artery stent), repeat revascularisation (bypass surgery), ischemic stroke.

CORXEL

Corxel Pharmaceuticals

www.corxelbio.com

NAV

8.5%

(2023: 7.9%)

Corxel is a leading biotech company headquartered in the US and China, focused on developing innovative cardiometabolic therapies globally. Backed by RTW Investments, LP, Corxel (formerly Ji Xing) was founded in 2019 and has been committed to bringing innovative science and medicines to underserved patients around the world. With a strong and further developing asset pipeline, industry leading talent, and patient-centric focus, Corxel is dedicated to delivering meaningful and lasting impact on patients.

In December, Corxel announced the acquisition of CX11, an oral small molecule glucagon-like peptide-1 receptor agonist (GLP-1 RA), for worldwide (excluding Greater China) development and commercialisation, from Vincentage. CX11 is an investigational, oral small molecule GLP-1 RA for the treatment of cardiometabolic diseases, including obesity and type 2 diabetes. GLP-1 RAs have been shown to lower body weight, improve insulin sensitivity, and reduce glucose and overall appetite. CX11, in a once daily, orally available formulation, could offer convenience and accessibility to patients, and lower the cost of manufacturing compared to injectables. In a Phase 2 clinical trial conducted in China, CX11 demonstrated competitive weight loss with Lilly's Orforglipron, the leading small molecule in development. The registrational Phase 3 study in obese and overweight patients in China was initiated in November 2024. Corxel plans to initiate a global (excluding Greater China) Phase 2 study in 2025.

We are excited about the potential of CX11, which has shown impressive efficacy in weight reduction, making it a potential best-in-class oral small molecule GLP-1 RA. There are currently no oral small molecule GLP1's available. The oral peptide Rybelsus has limited efficacy and is cumbersome to take, requiring 30 minutes of fasting, no drinking, and no other medications taken at the same time. Lilly is likely to be the first to bring one to market and we would expect CX11 to be second or third. We believe this is not a "winner takes all" market, and there is room for several players given the very large market potential.

kailera

Kailera Therapeutics

www.kailera.com

NAV

3.4%

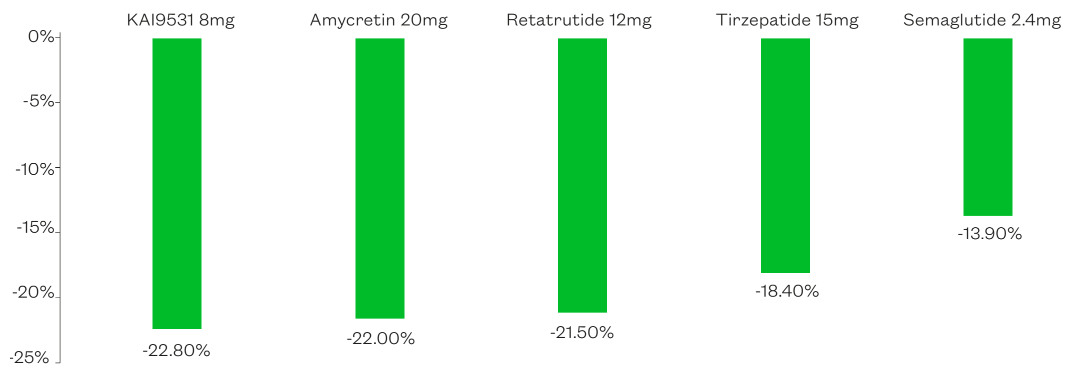
(2023: N/A)

Kailera is a clinical-stage biopharmaceutical company developing a broad and advanced therapeutic pipeline that is poised to deliver differentiated treatment options for obesity and related conditions. Kailera is committed to developing therapies that give people the power to transform their lives and elevate their overall health. The company was founded in 2024 and backed by RTW Investments along with Atlas Venture and Bain Capital Life Sciences with participation from Lyra Capital.

In January 2025, Kailera's injected GLP-1/GIP dual agonist KAI-9531 demonstrated potentially best-in-class obesity data in a Phase 2 trial in China conducted by Jiangsu Hengrui Pharmaceuticals. KAI-9531 was one of three assets Kailera licensed from Hengrui at its launch, acquiring the worldwide rights (excluding Greater China) to develop the drugs. With 22.8% additional weight loss compared to placebo treatments at 36 weeks, it beats the 21% shown by Eli Lilly's Retatrutide. Kailera is preparing for its upcoming global Phase 3 study of the same asset. These data increase our confidence that Kailera is one of the leading players in next-generation obesity management.

Kailera's KAI-9531 is competing for best-in-class injectable efficacy with a favourable gastro-intestinal adverse effects profile.

Weight loss in non-diabetic obesity at week 36[1]



1 With placebo adjustment.
Amycretin and Semaglutide are Novo Nordisk drugs; Retatrutide and Tirzepatide are Eli Lilly drugs.
Sources: KAI9531 and Amycretin data from company press releases; Retratrutide data from ADA 2023 meeting; Tirzepatide and Semaglutide data from DOI: 10.1056/NEJMoa2206038 and DOI: 10.1056/NEJMoa2032183.

Innovative asset growth

Highlights

Understand our Key Performance Indicators **page 34**

Market Capitalisation as of 31 Dec 2024

$470M
2024

$295M
2023

$257M
2022

Ordinary NAV as of 31 Dec 2024

$607M
2024

$399M
2023

$326M
2022

Market capitalisation

The Company's market capitalisation increased from U$295 million at 31 December 2023 to US$470 million at 31 December 2024. The Company issued 181,901,165 shares in 2024 in conjunction with the Arix acquisition and repurchased 8,500,000 shares, so the 59% increase in market capitalisation was due to the increase in the shares outstanding since the share price was marginally down from 2023 to 2024.

Ordinary NAV

The Ordinary NAV increased from US$399 million to US$607 million during the year, which was due largely to the acquisition of the assets of Arix Bioscience.

NAV per Ordinary Share

The NAV per share decreased from US$1.90 per share to US$1.81 per share. The main driver of this decrease was the share price performance of Rocket Pharmaceuticals (-7.0%), Immunocore (-3.1%) and Cargo (-1.5%) as well as the other public portfolio (-3.4%) and the dilution from the Arix transaction (-5.0%).

Discount/premium to NAV as of 31 Dec 2024

-22.8%
2024

-26.0%
2023

-21.2%
2022

Premium / discount

The Company's shares traded on average at a c.24% discount to NAV due to reduced market demand for growth and venture capital assets during the reporting period. At year end, the Company's Ordinary Shares were trading at a 23% discount to NAV (2023: 26% discount to NAV). The modest reduction in US and UK interest rates during the period was offset by rising US treasury and gilt yields resulting in only a modest improvement in the rating of the company's shares.

Total return to shareholders based on ordinary NAV

As the Company has not paid dividends, the total return for the year of -4.6% (2023: +23.5%) equates to the decrease in NAV per Ordinary Share.

Total return to shareholders based on share price

The share price return of -0.6% was the result of the decline in the company's NAV per share being offset by a modest re-rating of its discount. The shares remained at a discount during the year although the discount modestly narrowed.

Ongoing charges as of 31 Dec 2024

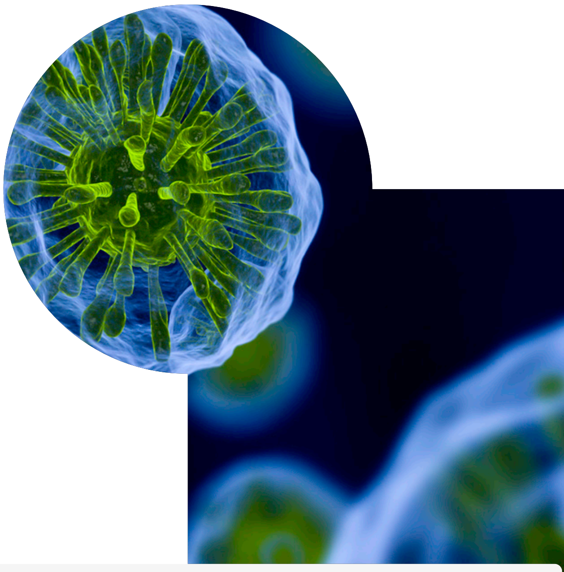
1.8%
2024

1.9%
2023

1.9%
2022

Ongoing charges

The Group's ongoing charges ratio is 1.75% (2023: 1.87%), calculated in accordance with the AIC recommended methodology, which excludes non-recurring costs and uses the average NAV in its calculation.



Measuring our performance

FINANCIAL

	NAV Growth	Total shareholder return	Premium/discount to NAV
Performance	Performance of the portfolio companies and cash management strategy net of all fees and costs	Delivering value to the shareholders	The level of supply and demand for the Company's shares
Key factors	• Portfolio performance and progression through clinical trials • Cash management • Capital pool and deployment • Scientific and financial risks • Market context including interest rates and bond yields	• Portfolio performance • Liquidity of RTW Bio shares • General market sentiment	(in order of impact at year end) • The percentage of private growth assets within the Group's portfolio • Portfolio performance • Liquidity of the Company's shares • Increased visibility with key UK shareholder audience (London office, UK distribution partner)
Progress	Ordinary NAV -4.6% (2023: +23.5%) During the reporting period this was largely driven by public companies' share price performance. After strong performance in 2023, Rocket's shares performed poorly in 2024. The company did not deliver on clinical and regulatory timelines for its two lead programs, but despite the setbacks, we think both the Danon and Fanconi anaemia programs continue to have transformative potential for patients. Immunocore reported melanoma data at ASCO showing a disappointing sub-20% response rate. There was no material fundamental news on Cargo during the financial year, but with the next catalyst not forecast until 2025, the share price gave back much of the gains it made since its IPO in November 2023. After period end, Cargo announced it would discontinue its entire pipeline, lay off most of its staff and seek a reverse merger or other business combination.	Share Price Return -0.6% (2023: +16%) The company's share price recorded a smaller decline than its NAV as falling interest rates led to an increase in demand for early stage and venture capital investments despite muted returns from the Biotech sector.	Premium/discount to NAV -24% (2023: -25%) (Average during the year) The discount moderately narrowed during the year. US and UK interest rates moved in the right direction, but unfortunately this was offset by rising US treasury and gilt yields.
Future intent	Achieve superior long-term capital appreciation; target an annualised total return of 20% over the medium term	Achieve superior long-term capital appreciation; target an annualised total return of 20% over the medium term.	Return to a premium to NAV such that total shareholder returns match or exceed NAV performance
Link to strategy	1 Identifying 2 Engaging 3 Building 4 Supporting	1 Identifying 2 Engaging 3 Building 4 Supporting	1 Identifying 2 Engaging 3 Building 4 Supporting
Link to principal risks	1 Failure to achieve investment objective 6 Exposure to global political and economic risks 7 Clinical Development & Regulatory Risks	1 Failure to achieve investment objective 6 Exposure to global political and economic risks 7 Clinical Development & Regulatory Risks	1 Failure to achieve investment objective 6 Exposure to global political and economic risks

The Board has identified the following indicators for assessing the Group's annual performance in meeting its objectives:

NON-FINANCIAL

	Per cent of NAV invested in core portfolio companies	Geographic & therapeutically diversified portfolio	Active and robust pipeline
Performance	Level of capital deployment into core portfolio companies	Measures the Group's commitment to invest in best-in-class science and innovative assets worldwide	Delivers transformational new treatments to patients in need.
Key factors	• Level of capital deployment and investment pace, as well as availability of funds to be deployed into new portfolio companies and follow-on investments	• Continue to diversify within the life sciences sector and support local biotech ecosystems across the globe	• Balance and breadth of the pipeline across all clinical stages • Data readouts and progress through multiple clinical stages • Commercial opportunity and competitive landscape
Progress	NAV invested in core portfolio 67% (2023: 67%) Deployed into core portfolio companies	Therapeutic areas addressed 11 (2023: 10) Core portfolio companies' focus spans multiple therapeutic areas, treatment modalities and geographies. In 2024, metabolic diseases were added as a core therapeutic area, as the Group pivoted toward a strong focus on obesity.	Core portfolio companies that have leading programs in a clinical stage 30 of 54 (2023: 22 of 36) Capturing a spectrum of early-stage Phase 1 to late stage Pivotal
Future intent	Identify transformative assets with high growth potential across the biopharmaceutical and medical technology sectors	Continue investing in and supporting companies developing next generation therapies and technologies that can significantly improve patients' lives	Progress towards delivering transformational treatments to patients in areas of high unmet need.
Link to strategy	1 Identifying 2 Engaging 3 Building 4 Supporting	1 Identifying 2 Engaging 3 Building 4 Supporting	1 Identifying 2 Engaging 3 Building 4 Supporting
Link to principal risks	7 Clinical Development & Regulatory Risks 4 The Investment Manager relies on key personnel 6 Exposure to global political and economic risks	7 Clinical Development & Regulatory Risks 6 Exposure to global political and economic risks	7 Clinical Development & Regulatory Risks 6 Exposure to global political and economic risks 8 Imposition of pricing controls

Applying deep scientific expertise with a long-term investment horizon

RTW Bio's long-term strategy is anchored in identifying transformative assets with high growth potential across the biopharmaceutical and medical technology sectors.

Driven by a deep scientific understanding and a long-term approach to supporting innovative businesses, we invest in companies developing next-generation therapies and technologies that have the potential to significantly improve patients' lives. With this significant opportunity also comes risk.

RTW Bio's risk framework is overseen by the Audit Committee under delegation from the Board. Multiple parties contribute to managing risk, including the Board, the RTW Investments team, and the Group's advisers.

Risk framework

The risk framework begins with the Board who oversee the process to ensure a robust assessment of principal risks, consider current and potential risks, and receive an update from the Investment Manager at each Board meeting. A risk register is maintained that sets out principal risks, their probabilities and an impact assessment. The RTW Investments team is responsible for day-to-day operations and oversight of the risk framework. The Investment Manager has a culture of transparency, ensuring that developments are shared and addressed timely, with the benefit of input from multiple team members, and reported to the Board as appropriate. The Group relies on having highly experienced personnel at the Investment Manager to support and manage issues as they arise.

The Audit Committee oversees and monitors the risk framework, including reviewing the risk register regularly to ensure it properly captures principal risks, continuously identifying potential risks, reviewing the ongoing operation and effectiveness of the control environment, and ensuring that proposed actions are implemented by the RTW Investments team. This process drives continuous improvement in risk identification and monitoring.

Identifying principal and emerging risks

The Board uses both top-down and bottom-up inputs to evaluate principal risks. Over the past year, the Board and the Investment Manager had ongoing discussions to consider the Group's risks. The discussions generated insights into potential emerging risks and have helped to focus attention on additional areas for monitoring.

The RTW Investments team carries out a bottom-up review, considering each portfolio company, as well as internal operations, both as a specific exercise and on an ongoing basis. The team also draws on assessments made by management teams of portfolio companies. These inputs are brought together in the risk register, which is reviewed by the Audit Committee in detail each quarter The principal risks identified by the Board are set out on pages 38 to 40 of this annual report. These have not substantially changed in the last year. The Board also monitors future risks that may arise, including the longer-term risks of changes to US pharmaceutical drug pricing and US FDA productivity.

Risk management structure

Board of Directors
Risk management leadership; risk appetite

Audit Committee
Reviews and monitors the risk framework

RTW Investments Team
Risk management is integral to the investment process and financial management
Implementing and monitoring risk controls; risk reporting

Other advisors
Risk identification; risk reporting

Portfolio companies' management teams
Risk identification and mitigation

Risk appetite

The Board is willing to accept a certain level of risk in order to achieve strategic goals. Where a risk is approaching or moves beyond its target, the Board will consider the actions being taken to manage it. This year the Audit Committee carried out a detailed review of the defined risk types, to ensure that they continue to reflect the understanding of the Board and accurately reflect relevant risks. Following that review, the Audit Committee advised the Board that the risk appetite remained appropriate, and the Board has accepted that assessment.

Principal and Emerging Risks and Uncertainties **page 38**

Principal risks and how we mitigate them

Risk description	Risk control measure	Profile

Investment Risks

1 Failure to achieve investment objective

Profile: ⟷ Stable

Risk description	Risk control measure	Strategic link
The Group's target return on net assets is not guaranteed and may not be achieved.	The Board will monitor and supervise the Group's performance compared to the target return, similar investment funds and broader market conditions. Where performance is unsatisfactory, the Board will discuss the appropriate response with the Investment Manager.	1 Identify 2 Engage 4 Support

Operational Risks

2 Unfavourable tax exposure

Profile: ⟷ Stable

Risk description	Risk control measure	Strategic link
With the prior year acquisition of Arix Bioscience, the Group's structure became more complex, and along with this complexity came the potential for new tax-related risk. As of year-end, subsidiaries acquired or created for the transaction were either in liquidation or in the process of winding up.	The Group consulted throughout the planning and execution of the acquisition with legal counsel having expertise in corporate structure and tax matters. The Investment Manager's team dedicated to the transaction, along with the Board, received advice and evaluated structural options at every step, and continues to do so as the structure evolves.	1 Identify 2 Engage

3 Counterparty risk

Profile: ⟷ Stable

Risk description	Risk control measure	Strategic link
The Group has the potential to be exposed to the creditworthiness of trading counterparties in OTC derivatives contracts, its prime broker in the event of re-hypothecation of its investments, and any counterparty where collateral or cash margin is provided or where cash is deposited in the normal course of business.	The Group uses Goldman Sachs, Morgan Stanley, Bank of America Merrill Lynch, JP Morgan and Jefferies as prime brokers and Cowen, UBS, Bank of America Merrill Lynch, Goldman Sachs, Jefferies, and Morgan Stanley as ISDA counterparties. To monitor counterparty risk, the Investment Manager monitors fluctuations in share prices, percentage changes in daily, monthly, and annual 5-year CDS spreads and S&P credit ratings. If a counterparty group share price moves up or down in excess of 20%, the trader at the Investment Manager is alerted immediately. In case of an alert, the trader notifies RTW Investments' Chief Compliance Officer. There has been no disruption in operations with the Group's counterparties to date. The Group's bankers are an offshore branch of Barclays Bank PLC and are also included in the Investment Manager's CDS monitoring program.	1 Identify 2 Engage 3 Build 4 Support

Governance/Reputational risks

4 The Investment Manager relies on key personnel

Profile: ⟷ Stable

Risk description	Risk control measure	Strategic link
The Investment Manager relies on its founder, Roderick Wong M.D. Roderick Wong is a key figure at the Investment Manager and is extensively involved in investment decisions.	In the event that Roderick Wong was to no longer work for the Investment Manager or was incapacitated, the Board is able to terminate the Investment Management Agreement within 180 days if a suitable replacement has not been found and would consider whether it would be appropriate to wind up the Group and return capital to shareholders, or to appoint a new Investment Manager.	1 Identify 2 Engage 3 Build 4 Support

Under the FCA's Disclosure Guidance and Transparency Rules, the Directors are required to identify the material risks to which the Group is exposed and the steps taken to mitigate those risks.

The Group has five categories of risks in its risk register namely:

- Investment Risks
- Operational Risks
- Governance/Reputational Risks
- External Risks
- Emerging Risks

Risk description	Risk control measure	Profile
5 Portfolio companies and Investment Manager may be subject to litigation		⟷ Stable
Portfolio Companies may be subject to product liability claims. Such liability claims would have a direct financial impact and may impact market acceptance even if ultimately rebutted. The Investment Manager may be swept up in class action suits against companies that include major shareholders.	The Investment Manager's due diligence process includes considering the risk that innovative therapies may have unforeseen side effects, based on the Investment Manager's extensive sector knowledge and experience, published research, and publicly available information. The Investment Manager maintains Directors & Officers as well as Errors & Omissions insurance policies.	**Strategic link** 1 Identify 2 Engage 3 Build 4 Support

External Risks

Risk description	Risk control measure	Profile
6 Exposure to global political and economic risks		↑ Increasing
It is anticipated that approximately 75% on average of investments will be in US companies or licensing agreements with US institutions, and 25% of investments will be made outside of the US. The Group's investments will be exposed to foreign exchange, and global political, economic, and regulatory risks, including those associated with current conflicts in Ukraine, Israel/Palestine, and the Middle East more broadly. The core portfolio currently has approximately 64% exposure to the US and Canada, 21% to the UK and Europe, and 15% to the rest of the world, including 3.7% to Israel and none to other Middle Eastern countries, Ukraine or Russia. Israel exposure derives from Urogen Pharma, which has R&D in Israel but is headquartered and maintains its broader team in Princeton, New Jersey.	The Investment Manager has extensive experience transacting across the global healthcare marketplace and will be responsible for identifying relevant events and updating investment plans appropriately.	**Strategic link** 1 Identify 2 Engage 3 Build 4 Support
7 Clinical development & regulatory risks		⟷ Stable
New drugs, medical devices and procedures are subject to extensive regulatory scrutiny before approval, and approvals can be revoked.	The Investment Manager's due diligence process includes a rigorous process of assessing preclinical and clinical assets and their probabilities of success, utilising scientific, clinical, commercial and regulatory benchmarks. Additionally, the Investment Manager's process includes assessing the likely attitudes of regulators towards a potential new therapy. The due diligence will also consider the unmet need of the disease and whether the therapy offers advantages over the current standard of care.	**Strategic link** 1 Identify 2 Engage 3 Build 4 Support
8 Imposition of pricing controls for clinical products and services		⟷ Stable
Portfolio company products may be subject to price controls, price gouging claims, and other pricing regulation in the US and other major markets. Government healthcare systems may be major purchasers of the products.	While future political developments cannot be reliably forecast, the Investment Manager's due diligence process includes an assessment of political risk and the likely acceptability of the investee's pricing intentions.	**Strategic lin** 3 Build 4 Support

Risk description	Risk control measure	Profile

External Risks (continued)

9 Inflation

↔ Stable

Global inflation is generally trending downwards; however, it remains a complex and somewhat volatile situation with differing regional experiences. While headline inflation (which includes volatile food and energy prices) is moderating, core inflation (which excludes them) is proving more stubborn in some regions, particularly due to service sector inflation and wage growth. Uncertainty about the inflation outlook and central bank actions is likely to contribute to market volatility.

The creation of value through innovation in the biotechnology sector outweighs the singular and/or short-term adjustment to valuation levels arising from changes in discount rates as a result of rising inflation. The Investment Manager holds investments that have current earnings and cash-flows and has significant exposure to Phase 3 products which have a high probability of achieving cash-flows in the near-term. Whilst interest rates have been reduced in the US and UK in reaction to reductions in inflation, it is not possible to say that this risk is reducing yet, as inflationary risks such as tariffs and restrictions on global trade are beginning to emerge following the election of a new administration in the US.

Strategic link
1 Identify
2 Engage
3 Build
4 Support

Emerging Risks

10 Availability of capital

↓ Reducing

IPOs made incremental progress towards normalisation this year (17 in 2024 vs 12 last year). This is consistent with a slow transition from a bear market (less than 10) to a healthy one (more than 30). Public follow-on financing activity returned to near record levels as companies with good data were able to raise the capital they needed.

The Investment Manager is experienced in identifying potential in companies that have strong fundamentals at attractive valuations that create an asymmetric and attractive risk/reward profile. The Board reviews the financing status of the Group's private portfolio with the Investment Manager at least twice each year. Approximately 10% of the Group's NAV is exposed to companies that will need refinancing within the next 12 months. Most of these companies have re-financing plans in place.

Strategic link
1 Identify
2 Engage
3 Build
4 Support

11 Sustainability reporting

↔ Stable

Sustainability reporting standards are evolving rapidly and investors may require more detailed sustainability disclosures to maintain or add new positions in our shares.

The Board monitors sustainability reporting standards and is advised by the Group's service providers, including an external sustainability consultant. The Group has adopted a responsible investment policy also appointed a Sustainability Committee to provide oversight and advice in relation to the Company's responsible investment strategy.

Strategic link
1 Identify
2 Engage
3 Build
4 Support

Longer Term Viability Statement

Realising a robust and resilient company

Assessing the prospects of the Group

The corporate planning process is underpinned by scenarios that encompass a wide spectrum of potential outcomes. These scenarios are designed to explore the resilience of the Group to the potential impact of significant risks set out below.

The scenarios are designed to be severe but plausible and take full account of the availability and likely effectiveness of the mitigating actions that could be taken to avoid or reduce the impact or occurrence of the underlying risks and which would realistically be open to management in the circumstances. In considering the likely effectiveness of such actions, the conclusions of the Board's regular monitoring and review of risk and the Investment Manager's internal control systems, as discussed on page 37 is taken into account.

The Board reviewed the impact of stress testing the quantifiable risks to the Group's cash flows as detailed in risk factors 1-5 in the previous pages and concluded that the Group, would have sufficient working capital to fund its operations in the following extreme scenario:

(1) The Group incurred NAV losses of 39% of NAV over a three-year period ending 28 February 2028.

(2) No new capital was raised.

(3) US$152 million of private investments were funded from cash and by selling public portfolio investments over the three-year period ending 28 February 2028.

To provide some context for this scenario the worst-case annual losses for the NASDAQ Biotech Index (NBI) in the last 10 years were 10.9% in 2022 and 21.4% in 2016 respectively. The Group's three-year loss scenario exceeds the cumulative impact of both of these worst-case years of 32.3% spread over three years. The annualised volatility of the NBI Index for the last 10 years is 24.5% and the index has an annualised return of 3.7% for this period, so an annual loss of 40% or more is only likely to occur every twenty years if the index returns are normally distributed. Considering this context, a cumulative loss of between 32.3% and 40% is therefore assumed to be a reasonable stress test.

The Board considers that this stress testing-based assessment of the Group's prospects is reasonable in the circumstances of the inherent uncertainty involved.

The period over which we confirm longer term viability

Within the context of the corporate planning framework discussed above, the Board has assessed the prospects of the Group over a three-year period ending 28 February 2028. Whilst the Board has no reason to believe the Group will not be viable over a longer period, given the inherent uncertainty involved, the period over which the Board considers it possible to form a reasonable expectation as to the Group's longer-term viability, based on the stress testing scenario planning discussed above, is the three-year period to March 2028. This period is used for the Investment Manager's business plans and has been selected because it presents the Board and therefore readers of the Annual Report with a reasonable degree of confidence whilst still providing an appropriate longer-term outlook.

Confirmation of longer term viability

The Board confirms that it has carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. Based upon the robust assessment of the principal and emerging risks facing the Group and its stress testing-based assessment of the Group's prospects, the Board confirms that it has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to February 2028.

On behalf of the Board

William Simpson
Chair
28 March 2025

Close collaborators and committed partners

The AIC Code requires that the matters set out in Section 172 of the Companies Act 2006 are reported on by all companies, irrespective of domicile, provided this does not conflict with local company law.

Section 172 recognises that directors are responsible for acting in a way that they consider, in good faith, to be most likely to promote the success of the Group for the benefit of all shareholders. In doing so, they are also required to consider the broader implications of their decisions and the Group's operations on key stakeholders, the wider community, and the environment. Key decisions are those that are either material to the Group or are significant to any of the Group's key stakeholders. The Group's engagement with key stakeholders and the key decisions that were made or approved by the Directors during the year are described below.

Shareholders

Continued access to capital is vital to the Group's longer term growth objectives, and therefore, in line with its objectives, the Group seeks to maintain shareholder satisfaction through:

- Positive risk-adjusted returns
- Continuous communication of portfolio updates
- Regular access to Investment Manager commentary on portfolio decisions and outlook

METHODS OF ENGAGEMENT

The Group engages with its shareholders through the issuance of regular portfolio updates and monthly NAV and factsheet releases in the form of RNS announcements.

The Investment Manager hosts mid-year and year end webinars and Q&A sessions and in 2024 hosted its second Investor Day in London.

The Group provides in-depth commentary on the investment portfolio, corporate governance and corporate outlook in its Annual and Interim Reports and financial statements.

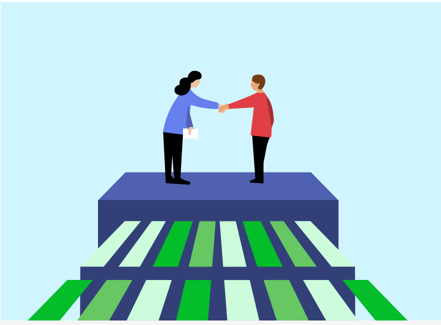
The Board receives quarterly feedback from its brokers and distribution partner in respect of investor engagement and investor sentiment.

In 2024 the Group's distribution and investor relations partner, Cadarn Capital, was also engaged as its PR and Communications partner to improve the flow of information to current and potential shareholders.

BENEFITS OF ENGAGEMENT

The Group enjoys a supportive shareholder base that understands the investment strategy as a result of our active programme of events and meetings.

The Group has built a large pool of potential investors to support its future growth.



Service providers

The Group works closely with a number of service providers (the Investment Manager, Administrator, Sub-Administrator, Corporate Secretary, auditor, third party valuation agents, corporate brokers, distribution partner, and other professional advisers).

The independence, quality and timeliness of their service provision is critical to the success of the Group.

METHODS OF ENGAGEMENT

The Group has identified its key service providers and on an annual basis undertakes a review of performance based on a questionnaire through which it also seeks feedback.

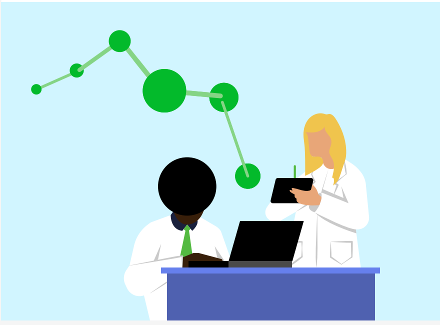
Furthermore, the Board and its sub-committees engage regularly with service providers on a formal and informal basis.

The Group regularly reviews all material contracts for service quality and value.

BENEFITS OF ENGAGEMENT

Feedback given by service providers is used to review the Group's policies and procedures, to ensure open lines of communication, and operational efficiency.

Performance reviews ensure the Board's confidence that the Group is being serviced and advised by high quality service providers.



Portfolio Companies

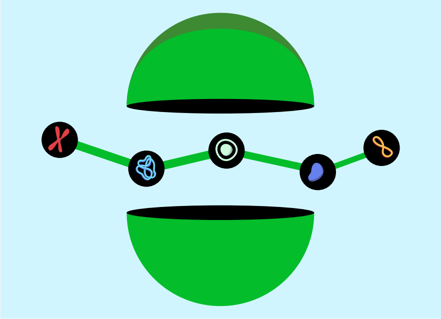
The Group is currently invested in 54 Core Portfolio Companies.

METHODS OF ENGAGEMENT

The Investment Manager engages on a regular basis with its portfolio companies in order to conduct on-going due diligence and to meet obligations if the Investment Manager holds a board seat.

BENEFITS OF ENGAGEMENT

Honesty, fairness and integrity of the management teams of the portfolio companies are vital to the long-term success of the Group's investments.



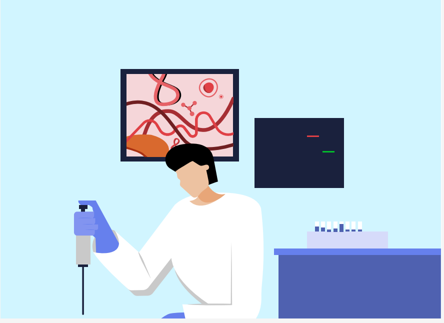
HM Government

METHODS OF ENGAGEMENT

The Group funds assets developed in UK academic and private sector laboratories, from conception to commercialisation.

BENEFITS OF ENGAGEMENT

By supporting the local biotech ecosystem in the country where the Group is listed, UK government policy initiatives are supported and promoted.



Community & environment

The Group does not have direct employees and does not anticipate any material impact to its business model from climate change but aims to be a good steward, in line with its socially-aligned investment objective.

RTW Charitable Foundation was created by the Investment Manager with the vision to work towards a world free of ultra-rare disease. The foundation funds research of rare conditions that do not attract significant outside investment due to limited commercial opportunity.

METHODS OF ENGAGEMENT

RTW Charitable Foundation represents an extension of the Investment Manager's mission. Its research process helps the Investment Manager identify important causes of human suffering and introduces the firm to individuals and organisations trying to make a difference.

BENEFITS OF ENGAGEMENT

The Group and the Directors minimise air travel by making maximum use of video conferencing for Company related matters.

Acting and investing responsibly provides the necessary foundation for the long-term sustainability of investment success.

To research grant recipients, RTW Charitable Foundation offers financial support and guidance gleaned from the Investment Manager's experience in drug development and company building. The Foundation also offers support to humanitarian causes, initiatives that raise disease awareness, and programs with direct local community impact, including days of action and youth mentorship.

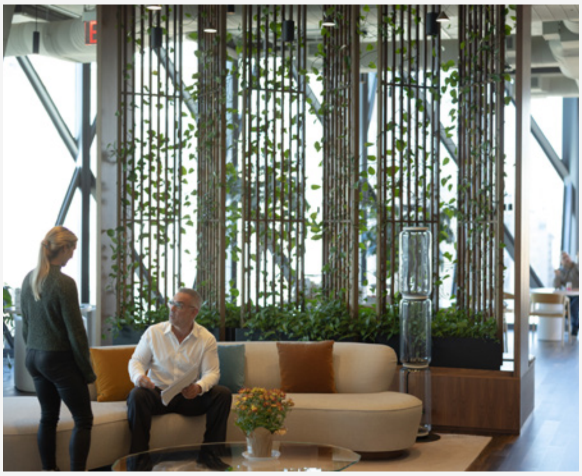
Supporting health and well being

The Group aims to achieve superior long-term capital appreciation, focusing on forming, building, and supporting world-class life sciences, biopharmaceutical, and medical technology companies. The Group's primary consideration is to support companies that promote health and well-being by bringing drugs and devices to market that are expected to save or extend life, improve quality of life, or revolutionise the course of treatment for diseases and conditions that afflict people. The Investment Manager's team of scientists and researchers work tirelessly to evaluate the science behind thousands of treatments and potential cures for diseases and conditions in order to improve quality of life across the globe. As a guiding principle, they prioritise overall positive impact on patients and long-term meaningful outcomes to society and believe this is the foundation of the Group's success.

As a long-term investor, the Group (via the Investment Manager) seeks to meet regularly with the management teams of portfolio companies. This approach fosters long-term relationships with company management teams. This ongoing dialogue enables open discussions on issues that could affect long-term returns. The decision to engage with a portfolio company depends on both the materiality of the issue and the size of the holding.

Pre-investment, the Group adopts a positive screening methodology. Potential investments are screened to ensure alignment with investment objectives.

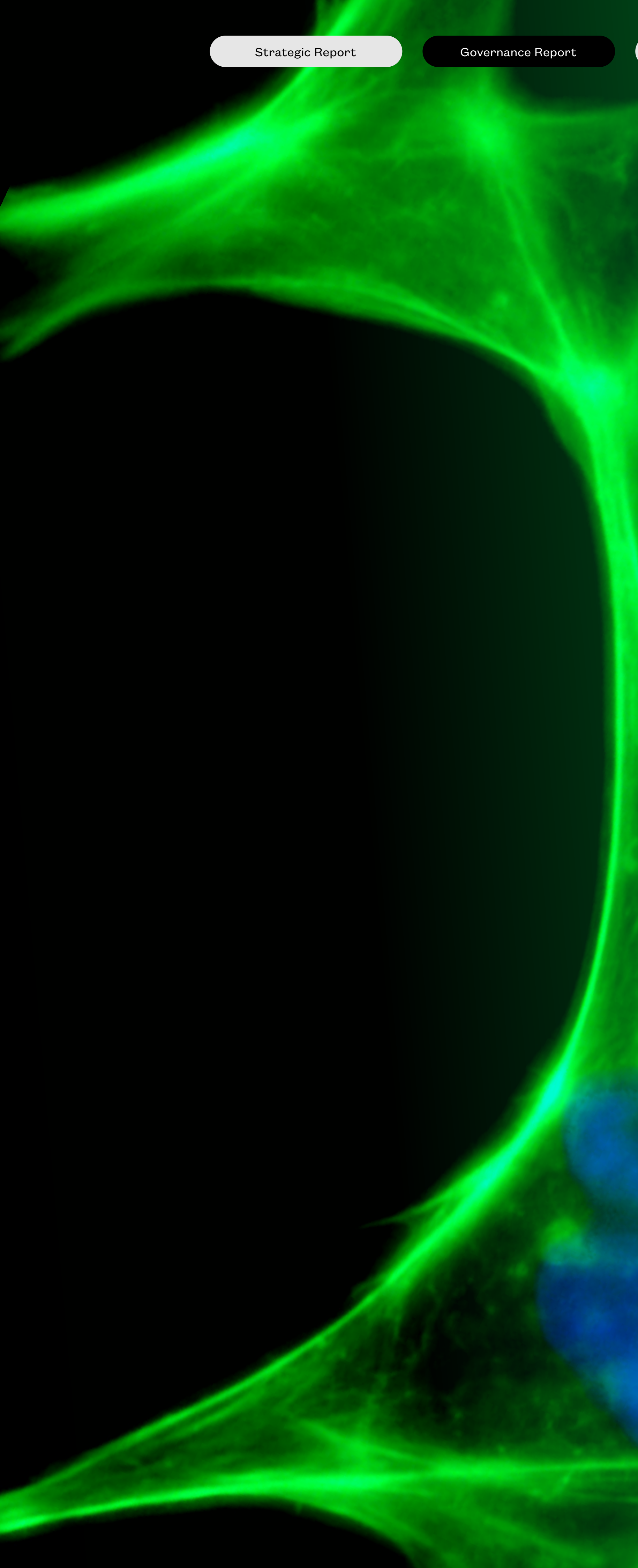
RTW headquarters ▶



▼ UN SDG goal 3

The Group's Board of Directors has established a Sustainability Committee which meets with the Investment Manager bi-annually where they are briefed on updates to process, policy, and portfolio engagement. The Sustainability Committee provides oversight on behalf of and advice to the Board in relation to the Company's Responsible Investment strategy and ensures that all stakeholders receive appropriate related information. The Committee assists the Board in overseeing the development of the Responsible Investment Policy and reviews relevant matters to be presented in this annual report, maintaining oversight of and making recommendations to the Board regarding upcoming reporting requirements.

The Investment Manager espouses a strong culture of compliance, risk management and ethical behaviour. It aims always to act in the best interests of shareholders, employees and stakeholders. Its corporate code of ethics addresses the largest areas of risk pertaining to the alternative asset management industry, including but not limited to conflicts of interest, anti-bribery, employee investing, insider trading and political contributions. Furthermore, it seeks to ensure that investments do not lead to negative impacts on public health or well-being or contribute to human or labour rights violations, corruption, serious environmental harm or other actions which may be perceived to be unethical. It seeks long-term investment partners that evidence equivalent professional and ethical rigour.



Governance Report

The Board has overall responsibility for maximising the Group's success by directing and supervising the affairs of the business and meeting the appropriate interests of shareholders and relevant stakeholders, while enhancing the value of the Group and also ensuring the protection of investors.

02 // GOVERNANCE REPORT

Our collective power builds success around brilliant ideas

William Simpson

Chair and Independent Non-Executive Director

Resident	Guernsey, British Isles
Appointed	2 October 2019

Committees
Chair of the Management Engagement Committee
Chair of the Sustainability Committee,
Member of the Audit Committee
Member of the Nomination and Remuneration Committee

Board meetings attended 9/9

Roles and responsibilities
William Simpson is the Chair and an independent director based in Guernsey providing services to investment and other financial services companies. William has over 35 years' experience within the financial services industry. He previously practiced law in the course of which he advised on the establishment of a wide range of investment funds and related matters. William graduated in law from Leeds University and first qualified as an English barrister. William is a member of the Guernsey Bar. William also holds directorships at Ninety One Premier Funds PCC Limited, AHL Strategies PCC Limited and Man AHL Diversified PCC Limited.

Nicola Blackwood

Non-Executive Director, Senior Independent Non-Executive Director*

Resident	UK resident
Appointed	11 July 2024

Committees
Member of the Nomination and Remuneration Committee
Member of the Audit Committee
Member of the Management Engagement Committee
Member of the Sustainability Committee

Board meetings attended 4/4

Roles and responsibilities
Baroness Nicola Blackwood is a leader in science and entrepreneurship. She is a member of the House of Lords, and Chair of Genomics England and Oxford University Innovation. She is also Board Member of the biotechnology company, BioNTech. Nicola is also a member of the Oxford Harrington Rare Disease Centre Advisory Board and the Royal Society Science Policy Expert Advisory Committee. Nicola served as a Minister in the Department for Health and Social Care under two Prime Ministers. As Minister for Innovation, she led on Life Sciences, NHS Data and Digital Transformation, and Global Health Security. She was the first female Member of Parliament for Oxford and was elected by MPs of all parties as the first female Chair of the House of Commons Science and Technology Committee. She remains one of the youngest committee chairs in British history.

* Baroness Blackwood was appointed as the Company's Senior Independent Non-Executive Director on 9 December 2024.

Paul Le Page

Independent
Non-Executive Director

Resident	Guernsey, British Isles
Appointed	2 October 2019

Committees
Chair of the Audit Committee
Member of the Nomination and Remuneration Committee
Member of the Management Engagement Committee
Member of the Sustainability Committee

Board meetings attended 9/9

Roles and responsibilities
Paul Le Page is a former executive Director and Senior Portfolio Manager of FRM Investment Management Limited, a subsidiary of Man Group, and holds non-executive directorships at a number of London Stock Exchange listed investment funds. Mr. Le Page was formerly Audit Committee Chair of Bluefield Solar Income Fund Limited, UK Mortgages Limited, Thames River Multi Hedge PCC Limited and Cazenove Absolute Equity Limited. Mr. Le Page has 20 years' Audit Committee chair experience within the closed-end investment fund sector and has a broad-based knowledge of the global investment industry and product structures. Mr Le Page graduated from University College London and later received an MBA from Heriot Watt University. He originally qualified as a Chartered Engineer and led the development of clinical diagnostic instrumentation and software and robotic sample preparation equipment prior to commencing a career in finance. Mr Le Page is a director of three other LSE Main Market companies NextEnergy Solar Fund Limited, TwentyFour Income Fund Limited and Sequoia Economic Infrastructure Limited.

William Scott

Independent
Non-Executive Director

Resident	Guernsey, British Isles
Appointed	3 October 2019

Committees
Chair of the Nomination and Remuneration Committee,
Member of the Audit Committee
Member of the Management Engagement Committee
Member of the Sustainability Committee

Board meetings attended 9/9

Roles and responsibilities
William Scott has served continuously as an independent non-executive director of a number of London-listed investment companies and funds for over 20 years and has been involved in the sector more widely for four decades. From 2003 to 2004, Mr. Scott worked as Senior Vice President with FRM Investment Management Limited, subsequently part of Man Group. Previously (from 1989-2002), Mr. Scott was a portfolio manager and latterly a director at Rea Brothers (which became part of the Close Brothers group in 1999 and where he was a director of Close Bank Guernsey Limited) and before that was an Assistant Investment Manager with the London Residuary Body Superannuation Scheme (1987-1989). Mr. Scott graduated in physics from the University of Edinburgh in 1982 and is a Chartered Accountant having qualified with Arthur Young (now EY) in 1987. Mr. Scott also holds the Securities Institute Diploma and is a Chartered Fellow of the Chartered Institute for Securities & Investment. He is also a Chartered Wealth Manager. His other directorships include Worsley Investors Limited, which is listed on the Main Market of the London Stock Exchange.

Stephanie Sirota

Non-Executive Director

Resident	US resident
Appointed	2 October 2019

Committees
Member of the Sustainability Committee

Board meetings attended 7/9

Roles and responsibilities
Stephanie A. Sirota, serves as a Partner and Chief Business Officer at RTW Investments, LP. Ms. Sirota leads RTW's Strategic Partnerships Division and is responsible for strategy and oversight of the firm's business and capital development, communications, and government relations. Her background in investment banking and expertise in financial markets has helped position the firm as both a leading partner to life sciences companies and a steward of investor capital globally. She fosters key strategic relationships for the firm across investors, bank partners, and governments, domestically and abroad, having led the firm's entry into the UK and European markets and the Middle East. Prior to joining the Investment Manager, she served as a director of Investor Relations at Valhalla Capital Advisors, a macro and commodity investment manager. Prior to that, Ms. Sirota worked in the New York and London offices of Lehman Brothers, where she advised on various mergers & acquisitions, IPOs, and capital market financing transactions and began her career on the derivatives structuring desk. Ms. Sirota graduated with honours from Columbia University and also received a Master's Degree from the Columbia Graduate School of Journalism. She is a member of YPO and the New York Philharmonic and serves as a director of RTW Charitable Foundation.

Report of the Directors

The Directors hereby submit the annual report and audited consolidated financial statements for the Group for the year ended 31 December 2024.

Chair's Statement **page 08**

Investment Manager's Report **page 12**

More on results for the year **page 69**

Section 172 **page 42**

Principal activities

Further information on the principal activities of the Group can be found on pages 06 to 07.

Business review

On 1 November 2023, the Company announced it had made a bid to acquire Arix Bioscience plc's assets. On 29 January 2024, the shareholders of Arix voted to accept the offer, with 92.22% of votes cast voting in favour, and the acquisition completed on 13 February 2024. Further details are provided on pages 10 to 11.

A review of the Group's business and its likely future development is provided in the Chair's Statement on pages 09 to 10. The underlying investments of the Group are reviewed in the Investment Manager's Report on pages 12 to 27.

Results and distributions

The results of the Group for the year are shown in the audited consolidated statement of operations on page 80.

The Net Asset Value of the Group as at 31 December 2024 was US$632.6 million (2023: US$429.0 million).

For the year ended 31 December 2024, the Group recorded a net total return based on NAV per Ordinary Share of -4.6 per cent (2023: +23.5 per cent).

No dividends were paid during the years ended 31 December 2024 and 31 December 2023. The Company does not anticipate paying any dividends on its Ordinary Shares, as it intends generally to re-invest proceeds received from Portfolio Company sales or distributions. There have been no changes in the Company's dividend policy from that disclosed in the Prospectus published by the Company on 14 October 2019.

During the year ended 31 December 2024, the Company bought back 8,500,000 Ordinary Shares at an average price of US$1.33 for a total cost of US$11,340,306, including transaction costs of $22,681. In 2023, the Company bought back 1,753,791 Ordinary Shares at an average price of US$1.19 for a total cost of US$2,093,411, including transaction costs of $4,178. At the date of approval of these consolidated financial statements, all 8,500,000 of the Ordinary Shares bought back in 2024 were held as treasury shares (31 December 2023: 1,753,791 shares held as treasury). The total Ordinary Shares held as treasury shares as at 31 December 2024 was 10,253,791.

Capital structure

The Company is an authorised closed-ended Guernsey investment company with registered number 66847. The Company's Ordinary Shares are listed on the Official List of the FCA and to trading on the London Stock Exchange plc's Main Market under the ticker symbol RTW.

The Board believes the London Stock Exchange plc's Main Market is the most appropriate platform for the continued growth of the Group by increasing the Group's profile, broadening its shareholder register, adding Sterling denomination, and facilitating the Group's eligibility for inclusion in the FTSE UK Index Series.

During the year ended 31 December 2024, the Company issued 181,901,165 new shares to facilitate the acquisition of Arix Bioscience plc in an all share transaction for $246,476,079 with associated issuance costs of $6,473,897. Of the 181,901,165 new shares, 48,322,863, with a value of $59,221,117, were issued to the Group as existing shareholders of Arix Bioscience plc, and were subsequently cancelled. The details around this transaction are further disclosed within the audited consolidated statement of cash flows and within Note 1.

As at 31 December 2024, the Company's issued share capital was 345,967,440 Ordinary Shares (2023: 212,389,138 Ordinary Shares), of which 10,253,791 Ordinary Shares were held in treasury (2023: 1,753,791 shares held in treasury). Therefore, the total number of voting rights in the Company as at 31 December 2024 was 335,713,649 (2023: 210,635,347).

In addition, the Company bought back 950,000 Ordinary Shares from 1 January 2025 to 27 March 2025. 345,967,440 Ordinary Shares were in issue, of which 11,203,791 were held in treasury, at the time of signing this Annual Report.

Further issues of shares will only be made if the Directors determine such issues to be in the best interests of shareholders and the Group as a whole. Relevant factors in making such determination include net asset performance, share price rating, perceived investor demand and any regulatory restrictions. In the case of further issues of Ordinary Shares (or sales of Ordinary Shares from treasury), such Ordinary Shares will only be issued at prices that are not less than the prevailing NAV per Ordinary Share announced as of the end of the immediately preceding month in which such Ordinary Shares are being issued.

Authority to issue shares

Subject to the Company's Articles of Incorporation, the Directors have the power to issue an unlimited number of shares.

Authority to buy back shares

The current authority of the Company to make market purchases of up to 57,844,388 Ordinary Shares (being 14.99 per cent of the issued share capital) as authorised at the AGM of the Company on 16 May 2024. At the AGM scheduled to take place on 9 June 2025, the Board will seek to renew such authority. Any buy back of Ordinary Shares will be made subject to the Companies Law and within any guidelines established from time to time by the Board and the making and timing of any buy backs will be at the absolute discretion of the Board and not at the option of the shareholders. Ordinary Shares will only be repurchased at a price which, after repurchase costs, represents a discount to the Net Asset Value per Ordinary Share and where the Directors believe such purchases will enhance shareholder value. Such purchases will also only be made in accordance with the Listing Rules of the UK Listing Authority which provide that the price to be paid must not be more than 5 per cent above the average of the middle market quotations for the Ordinary Shares for the five business days before the shares are purchased unless previously advised to shareholders.

In accordance with the Company's Articles and Companies Law, up to 10 per cent of the Company's Ordinary Shares may be held as treasury shares. At 31 December 2024, 10,253,791 Ordinary Shares were held in treasury, representing 2.96 per cent of the issued share capital (2023: 1,753,791 shares held in treasury, representing 0.83% of the issued share capital).

Directors' dealings in shares

The Company has adopted a share dealing code for the Board and will seek to ensure compliance by the Board with the terms of the share dealing code. The share dealing code is compliant with the UK Market Abuse Regulation.

Relations with shareholders

The Board welcomes shareholders' views and places great importance on communication with its shareholders. The Company's Annual General Meeting provides a forum for shareholders to meet and discuss issues with the Directors of the Company. The Board is represented at an annual capital markets day held in London and hosted by the Investment Manager. The Directors are available to meet and answer questions posed by shareholders at these and similar events held by the Investment Manager and Corporate Brokers. The Chair and other Directors are also available to meet with shareholders at other times, if required. Furthermore, the Board has appointed Cadarn Capital, a specialist investment engagement firm which conducts an extensive programme of meetings throughout the year.

The Investment Manager also seeks outreach through its team based in London and New York. In addition, the Company maintains a website which contains comprehensive information (https://www.rtwfunds.com/rtw-biotech-opportunities-ltd), including company notifications, share information, financial reports, monthly NAVs, investment objectives and policy, investor contacts and information on the Board and corporate governance.

Further information on relations with shareholders and other stakeholders can be found in Engaging with Stakeholders (Section 172) on pages 42 to 43.

Annual General Meeting

The Annual General Meeting ("AGM") of the Company will be held on 9 June 2025 at 1st Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey GY1 3JX. Details of the resolutions to be proposed at the AGM, together with explanations, appear in the Notices of Meetings which are being sent to shareholders in due course.

Members of the Board, including the Chair and the Audit Committee Chair, will be in attendance at the AGM and will be available to answer shareholder questions.

Major shareholders

As at 31 December 2024 and 27 March 2025, insofar as is known to the Company, the following parties were interested, directly or indirectly, in 5 per cent or more of the Ordinary Shares in issue:

Details of voting rights page 99

Principal and Emerging Risks and Uncertainties page 38

Longer Term Viability Statement page 41

	31 December 2024			27 March 2025		
Shareholder	Shareholding (Ordinary Shares)	% Holding	Nature of Holding	Shareholding (Ordinary Shares)	% Holding	Nature of Holding
Roderick Wong	49,643,313	14.79%	Indirect	50,356,880	15.04%	Indirect
Bluestem Partners, LP	34,093,156	10.16%	Direct	34,093,156	10.18%	Direct
Tang Capital Partners	17,019,313	5.07%	Direct	17,214,615	5.14%	Direct

Details of the voting rights can be found in Note 9 of the consolidated financial statements.

Shareholdings of the Directors

Directors' shareholdings in the Company are disclosed in the Directors' Remuneration Report.

Directors' appointment, tenure and re-election, and Directors' remuneration

Directors' appointment, tenure and re-election and Directors' remuneration are disclosed in the Directors' Remuneration Report.

Articles of Incorporation

The Company's Articles may only be amended by special resolution of the shareholders.

Key service providers

Independent auditor

KPMG Channel Islands Limited ("KPMG") has been appointed to serve as the Company's auditor. In such capacity, the auditor is responsible for auditing and expressing an opinion on the consolidated financial statements of the Group in accordance with applicable law and auditing standards.

Investment Manager

The Directors are responsible for the determination of the Group's investment policy and have overall responsibility for the Group's business activities. The Group and the Investment Manager have entered into the Investment Management Agreement (as amended, supplemented or modified from time to time), pursuant to which the Investment Manager has been appointed as the Group's Investment Manager and has been delegated the authority and responsibility to manage the Group's investment portfolio. The fees payable to the Investment Manager and the impact of the Group's restructuring on the Investment Management Agreement are disclosed in Note 10 of the consolidated financial statements.

Administrator and Sub-Administrator
The Group has appointed Altum (Guernsey) Limited (previously named Elysium Fund Management Limited) to undertake the administration, corporate secretarial, corporate governance and compliance services. Morgan Stanley Fund Services USA LLC has been appointed to serve as the Group's Sub-Administrator.

Corporate Brokers
BofA Securities and Deutsche Numis Securities have been appointed as joint corporate brokers and financial advisers to the Group on 11 February 2022 and 5 April 2023 respectively.

Distribution Partner
In order to increase the liquidity of the Company's Ordinary Shares and to improve communication with shareholders, on 17 April 2023, Cadarn Capital was appointed as distribution partner for the Group. Furthermore, effective from 1 November 2024, Cadarn Capital was appointed as press and media relations partner for the Group.

Change of control

There are no agreements that the Group considers significant and to which the Company is party that would take effect, alter or terminate upon change of control of the Group following a takeover bid.

Principal and emerging risks and uncertainties

The Group's assets consist of investments in promising therapies and technologies in the pharmaceutical industry. There is inherent uncertainty in the long-term viability of developing biopharmaceutical technologies and whether these technologies can translate scientific theory into commercially viable business opportunities. Its principal and emerging risks are therefore related to the particular circumstances of the businesses in which it is invested. The Group seeks to mitigate these risks through active asset management initiatives and carrying out due diligence work on potential targets before entering into any investments.

Each Director is aware of the risks inherent in the Group's business and understands the importance of identifying, evaluating and monitoring these risks. The Board has adopted procedures and controls that enable it to manage these risks within acceptable limits and to meet all of its legal and regulatory obligations.

The Board considers the process for identifying, evaluating and managing any significant risks faced by the Group on an on-going basis and these risks are reported and discussed at Board meetings. It ensures that effective controls are in place to mitigate these risks and that a satisfactory compliance regime exists to ensure all applicable local and international laws and regulations are upheld. Particular attention has been given to the effectiveness of controls to monitor liquidity risk, asset values and counterparty exposure.

For each material risk, the likelihood and consequences are identified, management controls and frequency of monitoring are confirmed and results reported and discussed at the quarterly Board meetings and through updating of the Group's risk matrix. An extraction of the highest-rated post-mitigation risks forms the basis of the Principal and Emerging Risks and Uncertainties disclosure in the Strategic Report on pages 38 to 40.

The financial risks of the Group are discussed in Note 8 of the consolidated financial statements.

The Group's other risk factors are fully discussed in the Company's Prospectus, available on the Group's website (https://www.rtwfunds.com/rtw-biotech-opportunities-ltd) and should be reviewed by shareholders.

Going concern

In forming a view on whether the Company is a going concern, the Directors have considered the following factors:

- A three-year stressed cash-flow forecast prepared by the Investment Manager for the purposes of assessing viability;
- A viability and going concern memorandum from the Investment Manager on the Group's business model and operations (please see the Longer Term Viability Statement on page 41);
- The Group's ability to access liquidity from liquid investments and to raise additional capital.

After making enquiries and given the nature of the Group and its investments, the Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing the consolidated financial statements, and, after due consideration, the Directors consider that the Company is able to continue for the foreseeable future.

On behalf of the Board

William Simpson
Chair
28 March 2025

Corporate Governance Report

The Board recognises the value of sound corporate governance and, in particular, has regard to the requirements of the UK Code (available from the FRC's website, www.frc.org.uk).

The Company is a registered closed-ended investment scheme pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 2020 ("POI Law") and the Registered Collective Investment Schemes Rules 2021 issued by the GFSC. The GFSC Code applies to all companies that hold a licence from the GFSC under the regulatory laws or which are registered or authorised as Collective Investment Schemes, which includes the Company. The GFSC has stated in the GFSC Code that companies which report against the UK Code or the AIC Code are deemed to meet the GFSC code, and need take no further action.

The Company's prospectus dated 5 January 2024 stated that the Company intended to comply with the AIC Code. The Company is a member of the AIC and the Board of the Company has accordingly considered, and resolved to follow, the principles and recommendations of the AIC Code (available from the AIC's website, https://www.theaic.co.uk).

The AIC Code addresses all the principles set out in the UK Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies such as the Company. The Board considers that reporting against the principles and recommendations of the AIC Code (which incorporates the UK Code) provides better information to shareholders whilst meeting the requirements of the GFSC Code.

The Company's previous prospectus, dated 14 October 2019, stated that the Company would comply with the UK Code. For the reasons set out in the preamble to the UK Code, the Board considers certain of these provisions are not relevant to the position of the Group as an externally managed investment group. In particular, all of the Group's day-to-day management and administrative functions are outsourced to third parties. As a result, the Group has no chief executive or any executive directors, employees or internal operations and has therefore not reported further in respect of these provisions.

The Directors recognise the value of the AIC Code and have taken appropriate measures to ensure that the Group has complied and continues to comply, as far as possible given the Group's size and nature of the business, with the AIC Code. For years prior to 2024, and for the reasons explained in our 2023 financial statements, we did not previously appoint a Senior Independent Director in line with Provision 14 of the AIC Code. As shareholders will be aware, the Company complied with the Board gender diversity rules then applicable to the Company from Listing in 2019 up to and including 2022. The FCA revised (on a comply or explain basis) the target for female representation to 40% of board positions for financial accounting periods commencing on or after 1 April 2022. Consequently, the first year to which this requirement applied to the Company was that ending December 2023. As we explained in our 2023 financial statements, and considering the increase in scale to be achieved by the imminent Arix acquisition in early 2024, the Board believed that the Company would better placed to recruit an additional independent Director with relevant senior industry expertise. Since Baroness Nicola Blackwood's appointment as Senior Independent Director, the Group has complied with Provision 14 of the AIC Code and the FCA revised requirement that 40% of the Board positions are held by women.

The Board and its Committees

The Board monitors developments in corporate governance to ensure the Board remains aligned with best practices, especially with respect to the increased focus on diversity (see the Directors' Remuneration Report on pages 57 to 59).

The Directors of the Company at the date of this report are William Simpson (Chair of the Board, Chair of the Management Engagement Committee and Chair of the Sustainability Committee), Paul Le Page (Chair of the Audit Committee), William Scott (Chair of the Nomination and Remuneration Committee), Baroness Nicola Blackwood (Senior Independent Non-Executive Director) and Stephanie Sirota. The Board believes the current Board members have the appropriate qualifications, experience and expertise to manage the Group. The Director's biographies can be found on pages 46 to 47.

The Board meets at least on a quarterly basis. The dates for each scheduled meeting are planned prior to the start of each calendar year and confirmed in writing in accordance with the Company's Articles of Incorporation. Meetings for urgent issues may be and are convened at short notice if all Directors are informed. In addition to formal Board and/or committee meetings and, to the extent practicable and appropriate, the Directors maintain close contact with each other, the Investment Manager and the Administrator, by email and conference calls, for the purpose of keeping themselves informed about the Group's activities. The Board requires information to be supplied in a timely manner by the Administrator and other advisors in a form and of a quality appropriate to enable it to discharge its duties.

The Board has delegated certain responsibilities to its Audit Committee, Management Engagement Committee, Nomination and Remuneration Committee and Sustainability Committee (together the "Committees"). Given the size and nature of the Board it is felt appropriate that all independent Directors are members of each of the Committees.

The roles and responsibilities of the Committees are set out in the terms of reference and are summarised on the following page.

Items are discussed and, as appropriate, matters are endorsed, approved or recommended to the Board by the Committees. The chair of each of the Committees provides the Board with a summary of the main discussion points at the Committee meetings and any decisions made by the Committee along with any recommendations which require Board approval.

The Board may also delegate certain functions to other

Biographies of Directors **page 46**

Directors' Remuneration Report
page 57

parties; in particular, the Directors may delegate to the Investment Manager. However, the Directors retain responsibility for exercising overall control and supervision of the Investment Manager. Matters reserved for the Board include, amongst others, approval and oversight of the Group's investment activities by ensuring that the Group has complied with its investment restrictions. The Board also reviews the performance of the Group against its target return (as defined in the Prospectus) and, in light of the current market conditions, considers the strategy taken by the Investment Manager. Approval of the Annual and Interim Reports, announcements, and dividends are also reserved for the Board.

Audit Committee

The Audit Committee is chaired by Paul Le Page with formally delegated duties and responsibilities within written terms of reference, which are available on the Company's website https://www.rtwfunds.com/rtw-biotech-opportunities-ltd. Further information on the Audit Committee is included in the Report of the Audit Committee on pages 60 to 63.

Management Engagement Committee

The Management Engagement Committee is chaired by William Simpson. The committee currently consists of Baroness Nicola Blackwood, William Simpson, William Scott and Paul Le Page. The Management Engagement Committee meets at least once a year pursuant to its terms of reference, which are available on the Company's website https://www.rtwfunds.com/rtw-biotech-opportunities-ltd.

The Management Engagement Committee provides a formal mechanism for the review of the performance of the Company's advisers, including the Investment Manager. It carries out this review through consideration of a number of objective and subjective criteria and through a review of the terms and conditions of the advisers' appointments with the aim of evaluating performance, identifying any weaknesses and ensuring value for money for the Company's shareholders.

During the year, the Management Engagement Committee conducted a formal review of the Group's service providers and concluded that each of the Group's service providers had performed either satisfactorily or well. In the opinion of the Management Engagement Committee and Board, the continued appointment of the Investment Manager and the Group's key service providers on the respective terms agreed is in the best interests of the shareholders as a whole.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is chaired by William Scott. The committee currently consists of Baroness Nicola Blackwood, William Scott, William Simpson and Paul Le Page. The Nomination and Remuneration Committee meets at least once a year pursuant to its terms of reference, which are available on the Company's website https://www.rtwfunds.com/rtw-biotech-opportunities-ltd.

Further information of the Nomination and Remuneration Committee, Board diversity and Directors' remuneration are provided in the Directors' Remuneration Report on pages 57 to 59.

Sustainability Committee

The Sustainability Committee is chaired by William Simpson. The committee considers responsible investing, ESG matters and reporting, and regulatory updates, amongst other things. On 6 June 2023, Terra Instinct was appointed to advise the Group with respect to ESG matters, including sustainability disclosure requirements and compliance with the FCA's anti-greenwashing rule.

A summary of the Group's approach to environmental and social matters is provided in Responsible Investment on page 44.

Board meeting attendance

The Board meets at least four times a year, with further ad hoc Board and Board Committee meetings as required. Between meetings, there is regular contact with the Secretary and the Company's Brokers, as necessary.

The attendance record of the Directors for the year is set out below:

Director	Scheduled Board Meetings[1]	Audit Committee Meetings	Management Engagement Committee Meetings	Nomination and Remuneration Committee Meetings	Sustainability Committee
William Simpson	9/9	8/8	1/1	2/2	2/2
Nicola Blackwood	4/4	3/3	1/1	1/1	1/1
Paul Le Page	9/9	8/8	1/1	2/2	2/2
William Scott	9/9	8/8	1/1	2/2	2/2
Stephanie Sirota [2]	7/9	n/a	n/a	n/a	1/2

(1) Six ad hoc Board meetings that were held in the year have not been included in this total.
(2) Ms Sirota is not a member of the Audit Committee, Management Engagement Committee or Nomination and Remuneration Committee, however from time to time she is invited to attend and did so at most meetings held during the year.

Board performance and evaluation

In accordance with Provision 26 of the AIC Code, the Board is required to undertake a formal and rigorous evaluation of its performance on an annual basis. Such an evaluation of the performance of the Board as a whole and the Chair is carried out under the mandate of the Board in the form of self-appraisal questionnaires and a detailed discussion to determine effectiveness and performance in various areas as well as the Directors' continued independence.

The performance and effectiveness of the Directors is assessed annually having regard to the specific responsibilities of each Director as described in their service agreements.

To date, the Board has not engaged in the use of an external facilitator but continues to consider the appropriateness of an external review. The Directors believe that the current mix of skills, experience, ages and length of service of the Directors is appropriate to the requirements of the Group. With any new Director appointment to the Board, induction training will be provided.

Directors' conflicts of interest

All of the Directors are non-executive. William Simpson and William Scott are directors of a number of funds managed by members of the Man group of companies. Paul Le Page was employed by Man Group until 31 December 2019 and was a director of the investment managers of those funds. None of the initial Directors at IPO were responsible for the appointment of the others, the decision in respect of which was made by an independent party. Having considered the information disclosed above, the Board has concluded that William Simpson, Paul Le Page, and William Scott remain independent under provision 10 of the AIC Code. The Board considers William Simpson, Paul Le Page, Baroness Nicola Blackwood and Bill Scott as independent of each other and free from any business or other relationship that could materially interfere with the exercise of their independent judgment. The Board when taken as a whole is independent of the Investment Manager. Stephanie Sirota is a Board representative of the Investment Manager and is therefore not considered independent.

The Chair of the Board must be independent and is appointed in accordance with the Company's Articles of Incorporation. Mr Simpson's independence is evaluated annually and he is considered to be independent because he:

- has no direct or indirect current or historical employment with the Investment Manager; and
- has no current directorships in any other entities (other than the Company and its subsidiaries) for which the Investment Manager provides services.

Duties and responsibilities

The Board has overall responsibility for maximising the Group's success by directing and supervising the affairs of the business and meeting the appropriate interests of shareholders and relevant stakeholders, while enhancing the value of the Group and also ensuring the protection of investors. A summary of the Board's responsibilities is as follows:

- statutory obligations and public disclosure;
- strategic matters and financial reporting;
- risk assessment and management including reporting, compliance, governance, monitoring and control; and
- other matters having a material effect on the Group.

The Board is responsible to shareholders for the overall management of the Group. The Board has adopted a Schedule of Matters Reserved for the Board which sets out those matters not delegated to other parties. Such reserved powers include decisions relating to the determination of investment policy and approval of changes in strategy, capital structure, statutory obligations and public disclosure, and entering into any material contracts by the Group.

The Directors have access to the advice and services of the Administrator, which is responsible to the Board for ensuring that Board procedures are followed and that it complies with the Companies Law and applicable rules and regulations of the GFSC and the LSE. Where necessary, in carrying out their duties, the Directors may seek independent legal or other professional advice and services at the expense of the Group. As a result of the use of professional service providers and the nature of the Group's operations, the Group does not have any employees.

The Group maintains appropriate Directors' and Officers' liability insurance in respect of legal action against its Directors.

The Board's responsibilities for the Annual Report are set out in the Statement of Directors' Responsibilities on page 56. The Board is also responsible for issuing appropriate Interim Reports and other price-sensitive public reports.

The primary focus at Board meetings is to review the Group strategy, investment performance and associated matters such as share price discount/premium, investor relations, peer group information, gearing and industry issues and to consider recommendations from the Audit Committee and other Committees of the Board, as appropriate.

Biographies of Directors
page 46

Statement of Directors' Responsibilities
page 56

Report of the Audit Committee **page 60**

Internal control and financial reporting

The Directors acknowledge that they are responsible for establishing and maintaining the Company's system of internal control and reviewing its effectiveness. Internal control systems are designed to manage rather than eliminate the failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatements or loss. The Directors review all controls including operations, compliance and risk management. The key procedures which have been established to provide internal control are:

- The Board monitors the actions of the Group and undertakings of any external consultant as appointed by the Group at regular Board meetings and is given frequent updates on developments arising from the operations and strategic direction of the underlying investee companies. The Board has also delegated administration and company secretarial services to the Administrator; however, it retains accountability for all functions it delegates.
- The Board clearly defines the duties and responsibilities of the Group's agents and advisers and appointments are made by the Board after due and careful consideration. The Board monitors the ongoing performance of such agents and advisers and will continue to do so.
- The Administrator maintains a system of internal control on which they report to the Board. The Board has reviewed the need for an internal audit function and has decided that the systems and procedures employed by the Administrator provide the assurance that a sound system of risk management and internal control should, which safeguards shareholders' investment and the Group's assets. An internal audit function specific to the Group is therefore considered unnecessary.

The systems of control referred to above are designed to ensure effectiveness and efficient operation, internal control and compliance with laws and regulations. In establishing the systems of internal control, regard is given to the materiality of relevant risks, the likelihood of costs being incurred and costs of control.

The need for an internal audit function is discussed in the Report of the Audit Committee.

Listing requirements

Following Initial admission to the SFS on 30 October 2019 and subsequent admission to trading on the Premium Segment of the London Stock Exchange (the former standard and premium listing segments of the London Stock Exchange Main Market were consolidated into a single segment on 29 July 2024), the Company became subject to the Prospectus Rules, the Disclosure Guidance and Transparency Rules (as implemented in the UK through the Financial Services and Markets Act 2000 of the United Kingdom, as amended), the Market Abuse Regulation and the admission and disclosure standards of the London Stock Exchange.

Since admission to the SFS and subsequent admission to trading on the Main Market of the London Stock Exchange, the Company has complied with the applicable Listing Rules.

Common Reporting Standard and Tax Reporting requirements

The Common Reporting Standard ("CRS") is an information standard for the automatic exchange of information developed by the Organisation for Economic Co-operation and Development. CRS is a measure to counter tax evasion and it builds upon other information sharing legislation, such as FATCA, the UK-Guernsey Intergovernmental Agreement for the Automatic Exchange of Information, and the European Union Savings Directive. Under the UK-Guernsey IGA, certain disclosure requirements may be imposed in respect of certain shareholders in the Group who are, or are entities that are controlled by one or more, residents of the United Kingdom. In addition, under FATCA, the Group is required to make certain disclosures and reports to further compliance with the legislation's requirements. It is the Group's policy to comply with applicable requirements under CRS, the UK-Guernsey IGA and FATCA.

AIFMD

The Directors have considered the impact of AIFMD on the Group and its operations. The Company is a non-EU domiciled Alternative Investment Fund and the Investment Manager has been appointed as the Group's non-EU AIFM. As the Group is managed by a non-EU AIFM, only a limited number of provisions of AIFMD apply. The Investment Manager has made the notifications or applications and received, where relevant, approvals for the marketing of the Ordinary Shares to "professional investors" (as defined in AIFMD) in the United Kingdom and (with effect from 8 January 2024) Belgium.

Anti-bribery and corruption policy

The Board has a zero-tolerance approach to instances of bribery and corruption and has reiterated its commitment to carry out business fairly, honestly and openly. Accordingly, it expressly prohibits any Director or associated persons, when acting on behalf of the Group, from accepting, soliciting, paying, offering or promising to pay or authorise any payment, public or private, in the United Kingdom or abroad to secure any improper benefit for themselves or for the Group. The Investment Manager has also adopted a zero-tolerance approach to instances of bribery and corruption. The Board insists on strict observance with these same standards by its service providers in their activities for the Group.

Criminal Finances Act

The Board has a zero-tolerance commitment to preventing persons associated with it from engaging in criminal facilitation of tax evasion. The Board expects the same of its service providers and will not work with service providers that it knows do not demonstrate the same zero-tolerance commitment to preventing persons associated with it from engaging in criminal facilitation of tax evasion.

Environment, employees, human rights and social matters

The Group has an investment management contract with the Investment Manager. The Group has no employees and all of its Directors are non-executive, with day-to-day activities being carried out by third party service providers. There are therefore no disclosures to be made in respect of its employees. Further, because the Company and its Subsidiaries are closed-ended investment companies with no employees, its environmental impact is minimal. The Board notes that the companies in which the Group invests directly or indirectly may have an environmental, employee, human rights or social impact of which the Board has no visibility or control.

The UK Modern Slavery Act

The Board conducts the business of the Group ethically and with integrity, and has a zero-tolerance policy towards modern slavery in all its forms. As the Group has no employees, all of its Directors are non-executive and all its functions are outsourced, there are no further disclosures to be made in respect of employees and human rights. The Board notes that the companies in which the Group invests directly or indirectly may have employee, community, human rights or social impacts of which the Board has no visibility or control.

Litigation

So far as the Directors are aware, no litigation or claim of material importance is pending or threatened against the Group.

On behalf of the Board

William Simpson
Chair
28 March 2025

Statement of Directors’ Responsibilities

The Directors are responsible for preparing the Annual Report and consolidated financial statements in accordance with applicable law and regulations.

The Companies Law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and applicable law.

Under the Companies Law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of its profit or loss for that period. In preparing these consolidated financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable, relevant and reliable;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- Assess the Group’s and the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless liquidation is imminent.

The Directors confirm that they have complied with the above requirements in preparing the consolidated financial statements.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group’s transactions and disclose with reasonable accuracy at any time the financial position of the Company and of the Group and enable them to ensure that its financial statements comply with the Companies (Guernsey) Law, 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company’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.

Responsibility Statement

The Directors who hold office at the date of approval of this Director’s Report confirm that so far as they are aware, there is no relevant audit information of which the Group’s auditor is unaware, and that each Director has taken all the steps he ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Group’s auditor is aware of that information.

We confirm that to the best of our knowledge:

- the consolidated financial statements, prepared in accordance with US GAAP, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group;
- the Strategic Report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Group together with a description of the principal risks and uncertainties that they face;
- the Annual Report and audited consolidated financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group’s performance, position, business model and strategy; and
- the Annual Report and audited consolidated financial statements includes information required by the FCA for the purpose of ensuring that the Group complies with the provisions of the Listing Rules and the Disclosure Guidance and Transparency Rules of the FCA.

The responsibility statement was approved by the Board of Directors on 28 March 2025 and was signed on behalf of the Board.

On behalf of the Board

William Simpson
Chair
28 March 2025

Paul Le Page
Director
28 March 2025

Directors' Remuneration Report

The Nomination and Remuneration Committee has been established to consider the appointment and reappointment of Directors and ensure that the Company maintains fair and appropriate remuneration policies and controls. The Nomination and Remuneration Committee comprises all the independent Directors of the Company and is chaired by William Scott.

The Company is not required to present a Directors' Remuneration Report, and whilst this report does not purport to meet all of the requirements of a typical listed UK company's Directors' Remuneration Report, it has been provided as the Directors believe that it may be useful to users of this annual report and consolidated financial statements.

The Group has no employees and no executive directors. Directors do not have service contracts, but are appointed under letters of appointment, copies of which are available upon request from the Company Secretary and will be available for inspection at the AGM.

Regarding nomination, the Nomination and Remuneration Committee's remit is to review regularly the structure, size and composition of the Board, to give full consideration to succession planning for Directors, to keep under review the leadership needs of the Group and be responsible for identifying and nominating for the approval of the Board candidates to fill Board vacancies as and when they arise.

Board diversity

The Director's biographies can be found on pages 46 to 47. No specific diversity parameters have been set as the Board believes that all appointments should be made on merit and taken in the context of skills, knowledge and experience required for an effective Board. The Board recognises the importance of diversity and, in line with the FCA's current guidelines to have 40% of board positions held by women, took proactive steps in 2024 to enhance gender representation while also increasing the size of the Board to include a broader range of relevant expertise. As part of this effort, the Board appointed Baroness Nicola Blackwood to the Company's Board on 11 July 2024, increasing female representation to 40%. Both gender and ethnic diversity factors will be considered by the Board when making any new appointments or replacing current Board members.

The future growth of the Board will be linked to the growth of the Group's shareholder base as the Board has been mindful of the need to manage the Group's fixed costs whilst it was relatively small. The Board believes the current Board members have the appropriate qualifications, experience and expertise to manage the Group.

Tenure policy

Each Director retires at each AGM subsequent to his or her appointment and is eligible for re-election by the shareholders at such AGM.

A Director who retires at an AGM may, if willing to continue to act, be elected or re-elected at that meeting. If, at a general meeting at which a Director retires, the shareholders neither re-elect that Director nor appoint another person to the Board in their place, the retiring Director shall, if willing to act, be deemed to have been re-elected unless at the general meeting it is resolved not to fill the vacancy or unless a resolution for the re-election of the Director is put to the meeting and not passed.

In accordance with the AIC Code, if and when any Director has been in office (or upon re-election would at the end of that term, be in office) for more than nine years, or in the case of the Chair ten years, the Company will consider whether there is a risk that such Director might reasonably be deemed to have lost independence through such long service.

The Chair, Mr Le Page and Ms Sirota have been members of the Board since their appointment on 2 October 2019. Mr Scott was appointed on 3 October 2019. Baroness Nicola Blackwood was appointed on 11 July 2024.

Termination policy

Should a Director not be re-elected by shareholders, or retires from office under the Articles of Incorporation, the appointment shall be terminated with immediate effect and without compensation.

A Director may resign at any time by notice in writing to the Board in accordance with the Articles of Incorporation.

The Company may terminate a Director's appointment with immediate effect should the Director have:

- Committed any serious breach or (after warning in writing) any repeated or continued material breach of their obligations to the Group; or
- Been guilty of any act of dishonesty, fraud or serious misconduct or any conduct which (in the reasonable opinion of the Board) tends to bring the Director or Group into disrepute.

Succession policy

The Board gives full consideration to succession planning, including the succession of the Chair and Directors, in the course of its work, taking into account the challenges and opportunities facing the Group, and what skills and expertise are therefore needed on the Board in the future.

Biographies of Directors **page 46**

Overboarding policy

To ensure that each Director has sufficient time to meet their responsibilities to the Group, the Board has adopted an overboarding policy which outlines its expectations regarding the time commitments of the Directors.

Should a Director wish to take on an additional external directorship of a London listed, or equivalent, company, or is anticipating a significant increase in time commitment of an existing appointment, details must be provided to the Chair (or, if the Chair is taking on the external directorship, the Chair of the Audit Committee) for approval prior to accepting the external directorship or additional time commitment.

The Director should:

- Confirm that the external directorship or change in time commitment is not in conflict with the Group;
- Provide an estimate of the time commitment required;
- Confirm that they have sufficient surplus capacity to meet their commitments to the Group; and
- Confirm that no commercial conflict of interest is likely to arise or be perceived to arise.

To assist in the Chair's decision, on an ongoing basis, at each Board meeting, the Directors disclose their other directorships at each quarterly meeting of the Company.

Remuneration policy

The Directors shall be remunerated at such a rate as the Directors shall determine provided that the aggregate amount of such fees shall not exceed US$500,000 per annum (or the applicable currency equivalent thereof). The Board is conscious that it needs to ensure that it has the right skills and experience appointed to the Board to best support the Group's growth and its strategic plans and priorities over coming years. The Board believes that the Fee Cap of US$500,000 provides appropriate headroom to accommodate any future market-based adjustments to Directors' fees and increases to the size and composition of the Board, and ensures that the Group maintains the ability to pay competitive fees and attract and retain high calibre Directors. The Board does not expect to utilise the full amount of the proposed Fee Cap in the short to medium term. The Board benchmarks against comparable investment companies to ensure that any future changes are appropriate to remain in line with market levels.

In setting the level of each non-executive Director's fee, the Board had regard to: the time commitments expected; the level of skill and experience of each Director; and the current market and levels of companies of similar size and complexity. Following this evaluation, the Board determined that the fees set out in this remuneration policy were appropriate, following the increase in rates agreed with effect from 1 January 2024.

Under the terms of their appointments as non-executive Directors, the Directors are entitled to the following annual fees:

	Rate with effect from 1 January 2024	Rate prior to 1 January 2024
William Simpson	GBP 60,000	GBP 50,000
Paul Le Page	GBP 47,000	GBP 40,000
William Scott	GBP 40,000	GBP 35,000
Nicola Blackwood (appointed 11 July 2024)	GBP 40,000[(1)]	n/a
Stephanie Sirota	US$ 50,000	US$ 42,000

(1) Following her appointment as the Company's Senior Independent Non-Executive Director on 9 December 2024, Baroness Nicola Blackwood's fee increased to GBP 50,000.

All of the Directors are also entitled to be paid all reasonable expenses properly incurred by them in attending general meetings, Board or Committee meetings or otherwise in connection with the performance of their duties. The Board may determine that additional remuneration may be paid, from time to time, to any one or more Directors in the event such Director or Directors are requested by the Board to perform extra or special services on behalf of the Group. The Directors do not participate in any discussions relating to their own fee, which is determined by the other Directors.

On termination of the appointment, Directors shall only be entitled to such fees as may have accrued to the date of termination, together with reimbursement in the normal way of any expenses properly incurred prior to that date.

Annual report on remuneration

Service contracts obligations and payment on loss of office

No Director has a service contract with the Group and, as such, no Director is entitled to compensation payments upon termination of their appointment or loss of office.

Directors' remuneration

During the year ended 31 December 2024, the US Dollar equivalent of Directors' remuneration (including reimbursement of reasonable expenses) was as follows:

	31 December 2024 (US$)	31 December 2023 (US$)
William Simpson	76,339	62,121
Paul Le Page	59,799	49,697
William Scott	50,893	43,485
Nicola Blackwood (appointed 11 July 2024)	25,446	-
Stephanie Sirota	50,000	42,000
Total	**262,477**	**197,303**

All of the above remuneration relates to fixed annual fees. The remuneration of each of the Directors, other than Ms Sirota, is fixed in Pounds Sterling (as set out in the table on page 58) and the US Dollar equivalent set out above may vary in accordance with fluctuations in the Pounds Sterling/US Dollar exchange rate.

Directors are not eligible for bonuses, share options or long-term incentive schemes or other performance-related benefits. There are no pension arrangements in place for the Directors of the Company. Accordingly, there were no other items in the nature of remuneration, pension entitlements or incentive scheme arrangements which were paid or accrued to the Directors during the year.

Directors' shareholdings in the Company

Directors of the Company and their beneficial interests in the Company as at 31 December 2024 are detailed below:

	Number of Shares					
Director	28 March 2025	31 December 2024	31 December 2023	% Holding 28 March 2025	% Holding 31 December 2024	% Holding 31 December 2023
William Simpson	240,000	200,000	200,000	0.07%	0.06%	0.09%
Paul Le Page	128,000	128,000	128,000	0.04%	0.04%	0.06%
William Scott	400,000	400,000	350,000	0.12%	0.12%	0.17%
Stephanie Sirota	1,010,000	1,010,000	1,010,000	0.30%	0.30%	0.48%
Nicola Blackwood	-	-	-	-%	-%	-%

On behalf of the Board

William Scott
Chair of the Nomination and Remuneration Committee
28 March 2025

Report of the Audit Committee

Paul Le Page
Independent
Non-Executive Director
Chair of the Audit Committee

"I present the Audit Committee's report for financial year ended 31 December 2024, setting forth the Audit Committee's structure, duties, and activities during the reporting period."

Member	Audit Committee meetings attended
Paul Le Page Independent Non-Executive Director	8/8
Nicola Blackwood Senior Independent Non-Executive Director	3/3
William Simpson Chair and Independent Non-Executive Director	8/8
William Scott Independent Non-Executive Director	8/8

Composition

The Audit Committee, chaired by Paul Le Page, operates within clearly defined terms of reference which include all matters indicated by DTR 7.1 and the AIC Code. Its other members are Nicola Blackwood (who joined the Audit Committee upon her appointment as a Director on 11 July 2024), William Simpson and William Scott. The Chair of the Board is a member of the Audit Committee but does not chair it. His membership of the Audit Committee is considered appropriate due to: the lack of perceived conflict; the small size of the Board; and because the Directors consider that he acts in a non-executive capacity and continues to be independent.

Only independent Directors can serve on the Audit Committee, and members of the Audit Committee must have no current links with the Group's external auditor and must be independent of the Investment Manager. The Audit Committee can request the attendance of the Investment Manager, the auditors or any service provider at its meetings.

The Board has taken note of the requirement that at least one member of the Audit Committee should have recent and relevant financial experience and is satisfied that the Audit Committee is properly constituted in that respect, with all members being highly experienced and, in particular, one member of the Committee is a chartered accountant.

The performance of the Chair of the Audit Committee is reviewed on an annual basis and the membership of the Audit Committee and its terms of reference are kept under regular review.

Responsibilities

The Audit Committee is the formal forum through which the external auditor reports to the Board of Directors. The objectivity of the external auditor is reviewed by the Audit Committee, which also reviews the terms under which the external auditor is appointed to perform non-audit services and the fees paid to the external auditor or their affiliated firms overseas.

The main duties of the Audit Committee are:

- Giving full consideration and recommending to the Board for approval of the contents of the Interim Report and Annual Report and reviewing the external auditor's report thereon;
- Reviewing the scope, results, cost effectiveness, independence and objectivity of the external auditor;
- Reviewing the draft valuations of the Group's investments prepared by the Investment Manager, and making a recommendation to the Board on the valuation of the Group's investments;
- Reviewing and recommending to the Board for approval of the audit, audit related and non-audit fees payable to the external auditor and the terms of their engagement;
- Reviewing and approving the external auditor's plan for the annual audit and interim review;
- Reviewing the appropriateness of the Group's accounting policies;
- Ensuring the standards and adequacy of the service providers' control systems;
- Reviewing and considering the UK Code, the AIC Code and the FRC Guidance on Audit Committees; and
- Reviewing the risks facing the Group and monitoring the risk matrix.

The Audit Committee is required to report its findings to the Board, identifying any matters on which it considers that action or improvement is needed, and make recommendations on the steps to be taken.

The external auditor is invited to attend the Audit Committee meetings at which the Interim Reports and Annual Reports are considered and at which they have the opportunity to meet with the Audit Committee without representatives of any other service provider or consultant being present at least once a year.

Financial reporting

The primary role of the Audit Committee in relation to financial reporting is to review with the Administrator, Sub-Administrator, any external consultant as appointed by the Investment Manager and the external auditor, the appropriateness of the Interim Reports and Annual Reports, concentrating on, amongst other matters:

- the quality and acceptability of accounting policies and practices;
- the clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements;
- material areas in which significant judgements have been applied or there has been discussion with both any external consultant as appointed by the Investment Manager and the external auditor;
- whether the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy; and
- any correspondence from regulators in relation to the Group's financial reporting.

To aid its review, the Audit Committee considers reports from the Investment Manager and any external consultant as appointed by the Investment Manager and also reports from the external auditor on the outcomes of its interim review and annual audit.

Meetings

The Audit Committee meets no less than twice a year in Guernsey, at such other times as the Audit Committee Chair shall require, and meets the external auditor at least once a year in Guernsey. The Audit Committee met eight times in the year ended 31 December 2024 (2023: seven times).

The matters discussed at these meetings were:

- Review of the terms of reference of the Audit Committee to confirm that they are appropriate to the business of the Audit Committee and the current regulatory environment in which the Group operates;
- Semi-annual reviews of the valuations of the Group's investments;
- Review of the accounting policies and format of the consolidated financial statements;
- The relationship with the external auditor;
- Discussion and approval of the fee for the external audit;
- Discussion and review of the audit plan;
- Review and consideration of viability model;
- Review of compliance with the AIC Code of Corporate Governance;
- Review of the related party register;
- Consideration of the requirement for an internal audit function;
- Consideration of and recommendations to the Board regarding the appointment of third-party service providers and the adequacy of their arrangements; and
- Review of the Group's key risks and internal controls.

Board experiences **page 46**

Directors' responsibilities **page 56**

Primary area of judgement

The Audit Committee determined that the key risk of misstatement of the Group's consolidated financial statements related to the valuation of investment in securities, at fair value, in the context of the judgements necessary to evaluate current fair values.

As outlined in Note 2 to the consolidated financial statements of the Group, the total carrying value of the Group's investments in securities at fair value as at 31 December 2024 was US$611.0 million (2023: US$367.6 million), of which US$217.8 million (2023: US$123.9 million) related to private company investments. Market quotations are available for those financial assets that are listed and traded and have an active market quote.

For private company investments, the value of the Group's investments is based on the value of the relevant underlying investee companies as determined by the Investment Manager and approved by the Board. The valuation of the Group's private and restricted investments, the methodology used for the year end valuation, and the constitution of the Investment Manager's Valuation Committee were discussed with the Investment Manager and with the external auditor in attendance at an Audit Committee meeting held on 11 February 2025, and the Independent Valuers, as appointed by the Investment Manager, carry out valuations semi-annually on the private company investments.

The Group values investment in private investment companies using the net asset values provided by the administrators of the private investment companies concerned 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 NAV of the investment.

Please see Private Portfolio Valuations and Cash Runway Analysis Information on page 23 for information on the valuation of private company investments.

The Audit Committee has met with both of the Group's third-party valuation firms to satisfy itself of their qualifications and experience to fulfil their roles. The Audit Committee independently reviews and challenges the Investment Manager's private company valuations on a semi-annual basis in two formal valuation committee meetings that the Group's auditor is invited to observe. Any valuation discrepancies are highlighted in meeting minutes. The Valuation Committee can overrule the third-party valuation agents, but there has never been a material divergence.

Audit Committee members have a wide breadth of experience and skills in the alternative investment space, from chairing other board committees of large London-listed companies, to serving as a chartered accountant with a background in corporate finance and private equity; another who has served as a partner of a major international fund law firm, and most recently one who brings considerable life sciences experience that informs a detailed understanding of the political, economic and technical factors that impact our industry and our portfolio companies.

The Audit Committee has reviewed the valuation papers prepared by the Investment Manager. The Investment Manager confirmed to the Audit Committee that the valuation methodology had been applied consistently during the year. After reviewing the scope and results of the work of the external auditor, the Audit Committee concluded that they had not identified any material errors or inconsistencies.

The external auditor explained the results of its audit work on the valuations, including its challenge of management's underlying projections, the economic assumptions, and prices used. On the basis of its audit work, there were no material adjustments proposed to those valuations as approved by the Audit Committee.

Internal audit

The Audit Committee shall consider at least once a year whether there is a need for an internal audit function. Currently, the Audit Committee does not consider there to be a need for an internal audit function, given that there are no employees in the Group and all outsourced functions are with parties who have their own internal controls and procedures.

The Audit Committee worked with the Administrator and the Investment Manager to structure a risk matrix for the Group, which considered the controls applied by the Board, the Investment Manager and key service providers. The matrix has also been reviewed with the Investment Manager and was used to form the basis of the Company's principal and emerging risk disclosures in the Strategic Report on pages 38 to 40.

Appointment of the external auditor

KPMG has been appointed as the statutory external auditor of the Company since the Company re-domiciled from Delaware to Guernsey on 2 October 2019. The Audit Committee held meetings with KPMG before the start of the audit to discuss formal planning and to discuss any possible issues, along with the scope of the audit and appropriate timetable. Informal meetings have also been held with the Chair of the Audit Committee in order that the Chair is kept up to date with the progress of the audit and formal reporting requirement by the Audit Committee.

The objectivity of the external auditor is reviewed by the Audit Committee, which also reviews the terms under which the external auditor may be appointed to perform non-audit services. The Audit Committee reviews the scope and results of the audit, its cost effectiveness and the independence and objectivity of the external auditor, with particular regard to any non-audit work that the external auditor may undertake and the level of fees associated to this non-audit work. In order to safeguard external auditor independence and objectivity, the Audit Committee ensures that audit related, non-audit, or advisory services provided by the external auditor do not conflict with its statutory audit responsibilities. Audit related services will generally only cover reviews of interim financial statements and capital raising work. Any non-audit services conducted by the external auditor requires the consent of the Audit Committee before being initiated.

The fees charged by KPMG to the Group during the last two years were as follows:

	2024	2023
Audit fee	GBP 240,500	GBP 191,000
Review of interim financial statements	GBP 55,900	GBP 50,300
Other non-audit services[1]	–	GBP 82,800
Total	GBP 296,400	GBP 324,100

(1) During the year ended 31 December 2023, KPMG charged fees of GBP 82,800 in respect of its work on the Arix deal. These services were preapproved by the Audit Committee and work was performed by a separate team within KPMG from those working on the Group's audit.

The external auditor may not undertake any work for the Company in respect of the following matters – preparation of the financial statements, preparation of valuations used in financial statements, provision of investment advice, taking management decisions or advocacy work in adversarial situations.

In addition, in 2023 and 2024, a KPMG member firm was paid EUR12,750 and EUR16,821 respectively for the audit of 4010 Royalty Offshore FNT Fund, LP.

The Audit Committee reviews the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditor, with particular regard to the level of non-audit fees. The Audit Committee considers KPMG to be independent of the Group and that the provision of such non-audit services is not a threat to the objectivity and independence of the conduct of the audit as appropriate safeguards are in place.

To fulfil its responsibility regarding the independence of the external auditor, the Audit Committee considered:

- audit personnel in the audit plan for the current year;
- a report from the external auditor describing its arrangements to identify, report and manage any conflicts of interest; and
- the extent of non-audit services provided by the external auditor.

To assess the effectiveness of the external auditor, the Audit Committee reviewed:

- the external auditor's fulfilment of the agreed audit plan and variations from it;
- reports highlighting the findings that arose during the course of the audit; and
- feedback from the Investment Manager, Administrator, Sub-Administrator, and any external consultant as appointed by the Investment Manager in evaluating the performance of the audit team.

The Audit Committee is satisfied with KPMG's effectiveness and independence as external auditor having considered the degree of diligence and professional scepticism demonstrated by them. Having carried out the review described above and having satisfied itself that the external auditor remains independent and effective, the Audit Committee has recommended to the Board that KPMG be reappointed as external auditor for the year ending 31 December 2025 and KPMG has confirmed its willingness to remain in this role.

Annual Report

The Audit Committee members have each reviewed this Annual Report and earlier drafts of it in detail, comparing its content with their own knowledge of the Company, reporting requirements and shareholder expectations. Formal meetings of the Audit Committee have also reviewed the Annual Report and its content and have received reports and explanations from the Company's service providers about the content and the financial results. The Audit Committee has concluded that the Annual Report, taken as a whole, is fair, balanced and understandable, and that the Board can reasonably and with justification approve the Statement of Directors' Responsibilities on page 56.

Key activities of the Audit Committee

The most significant transaction during the year was the acquisition of Arix and the Audit Committee held calls with RTW and the Company's administrator and had discussions with the company's auditors to ensure that the transaction was reported in a fair and transparent manner.

The Audit Committee oversaw the integrity of the valuation process and conducted two independent reviews of RTW's valuation policies and procedures when the interim and annual statements were produced.

The Company's private investment valuations were reviewed on a monthly basis as part of the NAV production process by RTW's Valuation Committee with supporting independent papers being prepared by the Company's two independent valuation agents to ensure that private assets were fair valued in accordance with RTW's policies. Additional independent valuations were obtained following the transfer of the Arix private portfolio positions. The Company's auditors KPMG received meeting summaries and valuation reports of the monthly Valuation Committee meetings.

Independent valuations for the Company's private positions were prepared by Alvarez and Marsal and Hoolihan Lokey and the Audit Committee held conference calls with both firms to satisfy itself that they have suitable qualifications and experience to fulfil their roles.

The Committee also independently reviewed and challenged RTW's private company valuations in two formal valuation committee meetings that our auditor KPMG attended to ensure that the committee fulfilled its responsibilities. The questions that were raised in these meetings ranged from the impact of major geopolitical events and macro variables on the valuations through to company-specific factors such as the need for re-financing or the performance of peer group companies.

The Committee was strengthened during the year by the addition of Baroness Nicola Blackwood who has a detailed understanding of the political, economic and technical factors that impact the Company and its investments.

On behalf of the Audit Committee,

Paul Le Page
Chair of the Audit Committee
28 March 2025

Consolidated Financial Statements

03 // CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report to the Members of RTW Biotech Opportunities Ltd

Our opinion is unmodified

We have audited the consolidated financial statements of RTW Biotech Opportunities Ltd (the "Company") and its subsidiaries (together, the "Group"), which comprise the consolidated statement of assets and liabilities including the consolidated condensed schedule of investments as at 31 December 2024, the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements:

- give a true and fair view of the financial position of the Group as at 31 December 2024, and of the Group's financial performance and cash flows for the year then ended;
- are prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"); and
- comply with the Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company and Group in accordance with, UK ethical requirements including the FRC Ethical Standard as required by the Crown Dependencies' Audit Rules and Guidance. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Key audit matters: our assessment of the risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2023):

	The risk	Our response
Valuation of investments in securities, at fair value $611,011,096 (2023: $367,611,231) Refer to the Report of the Audit Committee on pages 60 to 63, the Consolidated Condensed Schedule of Investments as at 31 December 2024 on pages 70 to 74, note 1 fair value significant accounting policies and note 2 fair value measurements disclosures.	**Basis:** The Group's investment portfolio represents the most significant balance on the consolidated statement of assets and liabilities and is the principal driver of the Group's net asset value (2024: 97%; 2023: 86%). The investment portfolio is composed of publicly quoted and private unquoted life science investments (together the "Investments"). Publicly quoted life science investments, representing 64.6% of the fair value of Investments, are valued using third party data sources. Private unquoted life science investments, representing 35.4% of the fair value of Investments, are valued using recognised valuation methodologies, including option pricing models. The Investment Manager utilises an Independent Valuer to assist them in their determination of the fair value of certain private unquoted life science investments. **Risk:** The valuation of the Group's Investments is considered a significant area of our audit, given that it represents the majority of the net assets of the Group. The valuation risk of the private unquoted life science investments incorporates both a risk of fraud and error given the significance of the estimates and judgements that are involved in the determination of their fair value.	Our audit procedures included, but were not limited to: **Controls evaluation:** We assessed the design and implementation of the Investment Manager's review control in relation to the valuation of private unquoted life science investments. **Challenging managements' Investments valuation, including the use of our KPMG valuation specialists, as applicable:** For a value driven selection of the publicly quoted life science investments, we independently priced to third party data sources. **Private unquoted life science investments** For a risk driven selection of the private unquoted life science investments we performed the following procedures, as applicable: • Obtained and read the valuation memorandums produced by the Investment Manager and Independent Valuer; • We assessed the appropriateness of the valuation methodology used to estimate fair value; • Assessed the objectivity, capabilities and competency of the Independent Valuer. We considered the scope of their engagement and methodology applied by the Independent Valuer in performing their work. We obtained and assessed their findings and considered the impact, if any, on our audit work; • Agreed the price of investments acquired during the year to supporting documentation such as purchase agreements, funding draw down requests and bank statements. We performed public searches for contradictory or dis-confirming evidence to challenge both the absence or appropriateness of fair value movements since acquisition; • For those private unquoted life science investments valued using valuation models, such as option pricing models, with the assistance of our own valuation specialists, we assessed and challenged the key assumptions used by comparing them to available market information and corroborated key inputs to supporting documentation; • Considered market transactions in close proximity to the year-end and assessed their appropriateness as being representative of fair value; and • For private investment company life science investments, valued based on the their net asset value, we obtained independent confirmation, from the administrator of those private investment companies, of the net asset value per share and reconciled these to the net asset value used in the Group's valuation. Further we obtained the coterminous audited financial statements for those private investment companies to corroborate the net asset value per share used. We also evaluated the accounting framework and accounting policies applied and considered the impact, if any, of the issued audit opinion therein. **Assessing disclosures:** We also considered whether the Group's consolidated financial statement disclosures in relation to the use of estimates and judgements regarding the fair value of investments in securities and the Company's investment valuation policies adopted and the fair value disclosures, in notes 1 and 2 respectively, are in accordance with US GAAP.

Our application of materiality and an overview of the scope of our audit

Materiality for the consolidated financial statements as a whole was set at $13.6m, determined with reference to a benchmark of group net assets of $632.6m, of which it represents approximately 2.0% (2023: 2.0%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the consolidated financial statements as a whole. Performance materiality for the Group was set at 75% (2023: 75%) of materiality for the consolidated financial statements as a whole, which equates to $10.2m. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding $0.68m, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Group was undertaken to the materiality level specified above, which has informed our identification of significant risks of material misstatement and the associated audit procedures performed in those areas as detailed above.

The group team performed the audit of the Group as if it was a single aggregated set of financial information. The audit was performed using the materiality level set out above and covered 100% of total group revenue, total group profit before tax, and total group assets and liabilities.

Going concern

The directors have prepared the consolidated financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company’s financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the consolidated financial statements (the “going concern period”).

In our evaluation of the directors’ conclusions, we considered the inherent risks to the Group and the Company’s business model and analysed how those risks might affect the Group and the Company’s financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to affect the Group and the Company’s financial resources or ability to continue operations over this period was the availability of capital to meet operating costs and other financial commitments.

We considered whether this risk could plausibly affect the liquidity in the going concern period by comparing severe, but plausible downside scenarios that could arise from this risk against the level of available financial resources indicated by the Company’s financial forecasts.

We considered whether the going concern disclosure in note 1 to the financial statements gives a full and accurate description of the directors’ assessment of going concern.

Our conclusions based on this work:

- we consider that the directors’ use of the going concern basis of accounting in the preparation of the consolidated financial statements is appropriate;
- we have not identified, and concur with the directors’ assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Company’s ability to continue as a going concern for the going concern period; and
- we have nothing material to add or draw attention to in relation to the directors’ statement in the notes to the consolidated financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and the Company’s use of that basis for the going concern period, and that statement is materially consistent with the consolidated financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group and the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Group’s policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, and taking into account possible incentives or pressures to misstate performance and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates such as valuation of private unquoted life science investments. On this audit we do not believe there is a fraud risk related to revenue recognition because the Group’s revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation;
- incorporating an element of unpredictability in our audit procedures; and
- assessing significant accounting estimates for bias.

Further detail in respect of valuation of private unquoted life science investments is set out in the key audit matter section of this report.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the consolidated financial statements from our sector experience and through discussion with management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence, if any, and discussed with management the policies and procedures regarding compliance with laws and regulations. As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The Group is subject to laws and regulations that directly affect the consolidated financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Group is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the consolidated financial statements, for instance through the imposition of fines or litigation or impacts on the Group and the Company's ability to operate. We identified financial services regulation as being the area most likely to have such an effect, recognising the regulated nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the consolidated financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the consolidated financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Disclosures of emerging and principal risks and longer term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the consolidated financial statements and our audit knowledge. we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the Longer Term Viability Statement (page 41) that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity;
- the emerging and principal risks disclosures describing these risks and explaining how they are being managed or mitigated;
- the directors' explanation in the Longer Term Viability Statement (page 41) as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Longer Term Viability Statement, set out on page 41 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the consolidated financial statements and our audit knowledge.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the consolidated financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the consolidated financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and consolidated financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Company's risk management and internal control systems.

We are required to review the part of Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

We have nothing to report on other matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- the Company has not kept proper accounting records; or
- the consolidated financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 56, the directors are responsible for: the preparation of the consolidated financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and 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.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of this report and restrictions on its use by persons other than the Company's members as a body

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew J. Salisbury
For and on behalf of KPMG Channel Islands Limited
Chartered Accountants and Recognised Auditors
Guernsey

28 March 2025

Consolidated Statement of Assets and Liabilities as at 31 December 2024 and 31 December 2023

(Expressed in United States Dollars)

	2024	2023
ASSETS:		
Investments in securities, at fair value (cost at 31 December 2024: $529,516,651; 31 December 2023: $244,056,637)	611,011,096	367,611,231
Derivative contracts, at fair value (cost at 31 December 2024: $60,427,785; 31 December 2023: $6,271,193)	110,177,172	15,463,820
Cash and cash equivalents	5,360,022	2,721,553
Due from brokers	27,990,478	57,887,214
Receivable from unsettled trades	4,237,674	–
Other assets	1,239,967	2,550,609
TOTAL ASSETS	**760,016,409**	**446,234,427**
LIABILITIES:		
Securities sold short, at fair value (proceeds at 31 December 2024: $102,512,585; 31 December 2023: $1,399,242)	95,151,493	1,197,921
Derivative contracts, at fair value (proceeds at 31 December 2024: $nil; 31 December 2023: $nil)	7,799,422	8,390,327
Due to brokers	23,570,906	5,329,681
Accrued expenses	850,903	2,293,541
TOTAL LIABILITIES	**127,372,724**	**17,211,470**
TOTAL NET ASSETS	**632,643,685**	**429,022,957**
NET ASSETS attributable to Ordinary Shares (shares at 31 December 2024: 335,713,649; 31 December 2023: 210,635,347)	**606,921,161**	**399,283,811**
NET ASSETS attributable to Non-Controlling Interest	**25,722,524**	**29,739,146**
NAV per Ordinary Share	**1.8079**	**1.8956**

The audited consolidated financial statements of the Group were approved and authorised for issue by the Board of Directors on 28 March 2025 and signed on its behalf by:

William Simpson
Chair

Paul Le Page
Director

See accompanying notes to the consolidated financial statements.

Consolidated Condensed Schedule of Investments as at 31 December 2024
(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				
Madrigal Pharmaceuticals, Inc.	214,826	49,317,124	66,288,859	10.48
Akero Pharmaceuticals, Inc.	1,191,010	26,909,569	33,133,898	5.24
Rocket Pharmaceuticals, Inc.	2,400,755	8,188,796	30,177,490	4.77
Tarsus Pharmaceuticals, Inc.	401,308	8,874,464	22,220,424	3.51
Avidity Biosciences, Inc.	369,865	6,102,773	10,755,674	1.70
Others*		190,069,145	174,522,722	27.58
Total United States		**289,461,871**	**337,099,067**	**53.28**
Netherlands				
Healthcare		12,693,165	16,077,163	2.55
Ireland				
Healthcare		10,013,472	8,557,542	1.36
China				
Healthcare				
Corxel Pharmaceuticals Ltd. (formerly Ji Xing Pharmaceuticals Ltd.)	541,205	216,482	835,037	0.13
Canada				
Healthcare		2,879,914	518,365	0.08
Denmark				
Healthcare		301,757	305,536	0.05
Singapore				
Healthcare		191,496	296,101	0.05
France				
Healthcare		3,930,888	79,772	0.01
Cayman Islands				
Healthcare		77,953	73,384	0.01
Japan				
Healthcare		64,326	70,334	0.01
Switzerland				
Healthcare		2,496	17,811	0.00
United Kingdom				
Healthcare		4,992	17,413	0.00
Total common stocks		**319,838,812**	**363,947,525**	**57.53**

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

See accompanying notes to the consolidated financial statements.

Consolidated Condensed Schedule of Investments (continued)
as at 31 December 2024
(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*		81,802,284	89,628,561	14.17
China				
Healthcare				
Corxel Pharmaceuticals Ltd. (formerly Ji Xing Pharmaceuticals Ltd.)	14,177,776	25,664,114	34,445,874	5.44
Others*		4,110,584	3,952,898	0.63
Total China		**29,774,698**	**38,398,772**	**6.07**
United Kingdom				
Healthcare*		16,347,749	34,368,669	5.44
Netherlands				
Healthcare		1,166,079	1,165,404	0.18
Switzerland				
Healthcare		90,748	763,629	0.12
Belgium				
Healthcare		0	0	0.00
Total convertible preferred stocks		**129,181,558**	**164,325,035**	**25.98**
Convertible Notes				
China				
Healthcare				
Corxel Pharmaceuticals Ltd. (formerly Ji Xing Pharmaceuticals Ltd.)	1,803,339	18,033,384	18,381,736	2.91
Canada				
Healthcare		7,512,664	8,050,255	1.27
United States				
Healthcare		8,679,051	6,312,757	1.00
Total convertible notes		**34,225,099**	**32,744,748**	**5.18**

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

See accompanying notes to the consolidated financial statements.

Consolidated Condensed Schedule of Investments (continued)
as at 31 December 2024
(Expressed in United States Dollars)

Descriptions	Number of Shares	Cost	Fair Value	Percentage of Net Assets
Investments in securities, at fair value (continued)				
American depository receipts				
United Kingdom				
Healthcare		16,687,163	17,163,590	2.72
Netherlands				
Healthcare		9,685,018	11,905,170	1.88
China				
Healthcare		1,616,703	1,602,514	0.25
Cayman Islands				
Healthcare		102,795	53,101	0.01
Total American depository receipts		28,091,679	30,724,375	4.86
Investment in private investment companies				
Cayman Islands				
Healthcare		10,348,706	12,571,857	1.99
Ireland				
Healthcare		3,221,986	4,602,256	0.73
United Kingdom				
Healthcare		4,444,220	1,920,687	0.30
Total investment in private investment companies		18,014,912	19,094,800	3.02
Revenue based financing agreement				
United States				
Healthcare		160,732	174,613	0.01
Corporate bonds				
Bermuda				
Healthcare		3,859	0.00	0.00
Total investments in securities, at fair value		529,516,651	611,011,096	96.58

See accompanying notes to the consolidated financial statements.

Consolidated Condensed Schedule of Investments (continued)
as at 31 December 2024
(Expressed in United States Dollars)

Descriptions	Number of contracts	Cost	Fair Value	Percentage of Net Assets
Derivative contracts – assets, at fair value				
Warrants				
United States				
Healthcare				
Avidity Biosciences, Inc.	2,208,114	36,431,673	64,209,747	10.15
Tarsus Pharmaceuticals, Inc.	150,000	4,799,985	8,305,485	1.31
Rocket Pharmaceuticals, Inc.	170,764	2,565,561	2,010,658	0.32
Others*		11,528,056	9,877,117	1.56
Total United States		**55,325,275**	**84,403,007**	**13.34**
Canada				
Healthcare		3,121,272	2,283,707	0.36
British Virgin Islands				
Healthcare		1,349,970	1,360,602	0.22
Total warrants		**59,796,517**	**88,047,316**	**13.92**
Equity swaps				
United States				
Healthcare				
Tarsus Pharmaceuticals, Inc.	215,335		7,603,492	1.20
Others*			12,594,491	1.99
Total United States			**20,197,983**	**3.19**
British Virgin Islands				
Healthcare			328,499	0.05
Total equity swaps			**20,526,482**	**3.24**
Contingent value rights				
United States				
Healthcare		466,420	1,023,626	0.17
Switzerland				
Healthcare		164,848	579,748	0.09
Total contingent value rights		**631,268**	**1,603,374**	**0.26**
Total derivative contracts – assets, at fair value		**60,427,785**	**110,177,172**	**17.42**

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

See accompanying notes to the consolidated financial statements.

Consolidated Condensed Schedule of Investments (continued)
as at 31 December 2024
(Expressed in United States Dollars)

Descriptions	Proceeds	Fair Value	Percentage of Net Assets
Securities sold short, at fair value			
Common stocks			
United States			
Healthcare*	100,739,418	93,400,032	14.76
British Virgin Islands			
Healthcare	1,164,515	1,141,154	0.18
Singapore			
Healthcare	200,738	296,101	0.05
Total common stocks	**102,104,671**	**94,837,287**	**14.99**
American depository receipts			
United Kingdom			
Healthcare	304,734	261,105	0.04
Cayman Islands			
Healthcare	103,180	53,101	0.01
Total American depository receipts	**407,914**	**314,206**	**0.05**
Total securities sold short, at fair value	**102,512,585**	**95,151,493**	**15.04**

Descriptions	Fair Value	Percentage of Net Assets
Derivative contracts – liabilities, at fair value		
Equity swaps		
United States		
Healthcare	7,799,422	1.23
Total derivative contracts – liabilities, at fair value	**7,799,422**	**1.23**

See accompanying notes to the consolidated financial statements.

Consolidated Condensed Schedule of Investments as at 31 December 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	71,950,627	16.77
Others*		87,817,542	121,224,790	28.26
Total United States		**96,006,338**	**193,175,417**	**45.03**
Netherlands				
Healthcare		5,570,915	6,878,343	1.60
Ireland				
Healthcare		6,090,973	3,974,203	0.93
China				
Healthcare				
Ji Xing Pharmaceuticals Ltd.	541,205	216,482	798,382	0.19
Others*		402,213	677,342	0.16
Total China		**618,695**	**1,475,724**	**0.35**
Canada				
Healthcare		2,953,012	646,323	0.15
British Virgin Islands				
Healthcare		776,929	477,179	0.11
Cayman Islands				
Financials		46,790	51,001	0.01
Total common stocks		**112,063,652**	**206,678,190**	**48.18**
Convertible preferred stocks				
China				
Healthcare				
Ji Xing Pharmaceuticals Ltd.	14,177,776	25,664,114	33,052,656	7.70
Others*		4,110,584	4,168,056	0.97
Total China		**29,774,698**	**37,220,712**	**8.67**
United States				
Healthcare*		40,654,612	36,321,860	8.47
Ireland				
Healthcare		1,093,042	1,854,238	0.43

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

See accompanying notes to the consolidated financial statements.

Consolidated Condensed Schedule of Investments (continued)
as at 31 December 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				
Switzerland				
Healthcare		1,729,518	1,723,249	0.40
United Kingdom				
Healthcare		774,317	760,071	0.18
Total convertible preferred stocks		**74,026,187**	**77,880,130**	**18.15**
Investment in private investment companies				
Cayman Islands				
Healthcare				
4010 Royalty Offshore FNT Fund, LP		23,892,852	25,982,258	6.06
Ireland				
Healthcare		11,814,933	15,873,635	3.70
Total investment in private investment companies		**35,707,785**	**41,855,893**	**9.76**
American depository receipts				
United Kingdom				
Healthcare				
Immunocore Holdings plc	462,249	11,872,691	31,580,852	7.36
Netherlands				
Healthcare		1,331,626	1,434,221	0.33
Ireland				
Healthcare		161,953	198,555	0.05
Total American depository receipts		**13,366,270**	**33,213,628**	**7.74**

See accompanying notes to the consolidated financial statements.

Consolidated Condensed Schedule of Investments (continued) as at 31 December 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 notes				
Canada				
Healthcare		7,512,664	7,566,259	1.76
United States				
Healthcare		1,380,079	417,131	0.10
Total convertible notes		**8,892,743**	**7,983,390**	**1.86**
Total investments in securities, at fair value		**244,056,637**	**367,611,231**	**85.69**

See accompanying notes to the consolidated financial statements.

Consolidated Condensed Schedule of Investments (continued)
as at 31 December 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			7,185,030	1.67
United Kingdom				
Healthcare				
Immunocore Holdings plc	12,498		280,979	0.07
British Virgin Islands				
Healthcare			9,793	0.00
Total equity swaps			**7,475,802**	**1.74**
Warrants				
United States				
Healthcare				
Rocket Pharmaceuticals, Inc.	170,764	2,565,561	4,800,495	1.12
Others*		1,242,926	1,764,580	0.41
Total United States		**3,808,487**	**6,565,075**	**1.53**
Canada				
Healthcare		2,462,706	881,237	0.21
Total warrants		**6,271,193**	**7,446,312**	**1.74**
Contingent value rights				
United States				
Healthcare			541,706	0.13
Total contingent value rights			**541,706**	**0.13**
Total derivative contracts – assets, at fair value		**6,271,193**	**15,463,820**	**3.61**

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

See accompanying notes to the consolidated financial statements.

Consolidated Condensed Schedule of Investments (continued) as at 31 December 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	1,353,107	1,146,920	0.28
Cayman Islands			
Financials	46,135	51,001	0.01
Total common stocks	**1,399,242**	**1,197,921**	**0.29**
Total securities sold short, at fair value	**1,399,242**	**1,197,921**	**0.29**

Descriptions	Fair Value	Percentage of Net Assets
Derivative contracts – liabilities, at fair value		
Equity swaps		
United States		
Healthcare	8,390,327	1.96
Total United States	**8,390,327**	**1.96**
Total derivative contracts – liabilities, at fair value	**8,390,327**	**1.96**

See accompanying notes to the consolidated financial statements.

Consolidated Statement of Operations
For the year ended 31 December 2024 and 31 December 2023
(Expressed in United States Dollars)

	2024	2023
Investment income		
Interest income (net of withholding taxes of $nil; 31 December 2023: $nil)	6,347,583	2,419,117
Dividends (net of withholding taxes of $82,087; 31 December 2023: $2,537)	390,961	571,473
Other income	1,451,293	1,179,964
Total investment income	**8,189,837**	**4,170,554**
Expenses		
Management fees	7,611,701	4,269,757
Interest expense	4,772,375	1,560,429
Professional fees	1,432,954	749,328
Research costs	849,452	474,511
Administrative fees	749,649	673,422
Audit fees	366,984	341,500
Directors' fees	262,477	177,011
Other expenses	887,540	687,805
Total expenses	**16,933,132**	**8,933,763**
Net investment income/(loss)	**(8,743,295)**	**(4,763,209)**
Realised and change in unrealised gain/(loss) on investments, derivatives and foreign currency transactions		
Net realised gain/(loss) on securities and foreign currency transactions	28,021,357	69,546,080
Net change in unrealised gain/(loss) on securities and foreign currency translation	(34,485,235)	29,962,442
Net realised gain/(loss) on derivative contracts	8,239,477	(2,428,987)
Net change in unrealised gain/(loss) on derivative contracts	41,147,665	(9,123,947)
Net realised and unrealised gain/(loss) on investments, derivatives and foreign currency transactions	**42,923,264**	**87,955,588**
Net increase/(decrease) in net assets resulting from operations	**34,179,969**	**83,192,379**

See accompanying notes to the consolidated financial statements.

Consolidated Statement of Changes in Net Assets
For the year ended 31 December 2024
(Expressed in United States Dollars)

	Ordinary Share Class	Non-Controlling Interest
Net assets, beginning of year	**399,283,811**	**29,739,146**
Operations		
Net investment income/(loss)	(8,743,295)	-
Net realised gain/(loss) on securities and foreign currency transactions	28,021,357	–
Net change in unrealised gain/(loss) on securities and foreign currency translation	(34,485,235)	–
Net realised gain/(loss) on derivative contracts	8,239,477	–
Net change in unrealised gain/(loss) on derivative contracts	41,147,665	–
Income/(loss) attributable to Non-Controlling Interest	4,016,622	(4,016,622)
Net change in net assets resulting from operations	**38,196,591**	**(4,016,622)**
Capital transactions		
Issuance of Ordinary Shares (net of issuance cost of $6,473,897)	180,781,065	–
Share buyback (Gross of $22,681 transaction costs) (Note 9)	(11,340,306)	–
Net change in net assets resulting from capital transactions	**169,440,759**	**–**
Net assets, end of year	606,921,161	25,722,524

See accompanying notes to the consolidated financial statements.

Consolidated Statement of Changes in Net Assets
For the year ended 31 December 2023
(Expressed in United States Dollars)

	Ordinary Share Class	Non-Controlling Interest
Net assets, beginning of year	**326,079,521**	**21,844,468**
Operations		
Net investment income/(loss)	(4,763,209)	–
Net realised gain/(loss) on securities and foreign currency transactions	69,546,080	–
Net change in unrealised gain/(loss) on securities and foreign currency translation	29,962,442	–
Net realised gain/(loss) on derivative contracts	(2,428,987)	–
Net change in unrealised gain/(loss) on derivative contracts	(9,123,947)	–
Income/(loss) attributable to Non-Controlling Interest	(7,894,678)	7,894,678
Net change in net assets resulting from operations	**75,297,701**	**7,894,678**
Share buyback (Gross of $4,178 transaction costs) (Note 9)	**(2,093,411)**	**–**
Net assets, end of year	**399,283,811**	**29,739,146**

See accompanying notes to the consolidated financial statements.

Consolidated Statement of Cash Flows
For the year ended 31 December 2024 and 31 December 2023
(Expressed in United States Dollars)

	2024	2023
Cash flows from operating activities		
Net increase/(decrease) in net assets resulting from operations	34,179,969	83,192,379
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	(28,021,357)	(69,546,080)
Net change in unrealised (gain)/loss on securities and foreign currency translation	34,485,235	(29,962,442)
Net realised (gain)/loss on derivative contracts	(8,239,477)	2,428,987
Net change in unrealised (gain)/loss on derivative contracts	(41,147,665)	9,123,947
Effect of exchange rate changes on cash and cash equivalents	99,291	(80,371)
Purchases of investments in securities	(530,568,570)	(147,986,641)
Proceeds from sales of investments in securities	321,657,762	203,554,346
Proceeds from securities sold short	174,423,104	27,233,184
Payments for securities sold short	(51,329,764)	(11,938,063)
Proceeds from derivative contracts	31,242,577	15,512,690
Payments for derivative contracts	(75,360,177)	(21,598,211)
Accretion of bond discount	(3,847)	–
Changes in operating assets and liabilities:		
Other assets	1,684,089	(2,204,859)
(Receivable from)/payable for unsettled trades	(4,237,674)	(5,121,762)
Due to brokers	18,241,225	(20,493,335)
Accrued expenses	(1,442,638)	1,426,785
Net cash provided by/(used in) operating activities	**(124,337,917)**	**33,540,554**
Cash flows from financing activities		
Net proceeds from issuance of shares	108,419,956	–
Share buyback	(11,340,306)	(2,093,411)
Net cash provided by/(used in) financing activities	**97,079,650**	**(2,093,411)**
Net change in cash and cash equivalents	(27,258,267)	31,447,143
Cash, cash equivalents, and restricted cash, beginning of the year	**60,608,767**	**29,161,624**
Cash, cash equivalents, and restricted cash, end of the year	**33,350,500**	**60,608,767**
At 31 December, the amounts categorised in cash, cash equivalents, and restricted cash include the following:		
Cash and cash equivalents	5,360,022	2,721,553
Due from brokers	27,990,478	57,887,214
Total	**33,350,500**	**60,608,767**
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	4,356,455	1,620,709
Cancellation of shares in RTW Biotech Opportunities Ltd received in Arix acquisition	59,221,117	–
*** In kind financing activities:**		
Non-cash assets received from Arix acquisition, comprised of:		
Investments in securities	129,409,264	–
Derivative contracts	1,799,515	–
Other assets	373,447	–

Refer to notes 1 and 9 for further details regarding the Arix acquisition.

See accompanying notes to the consolidated financial statements.

Notes to the Consolidated Financial Statements For the year ended 31 December 2024
(Expressed in United States Dollars)

1. Nature of operations and summary of significant accounting policies

RTW Biotech Opportunities Ltd (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 (the former standard and premium listing segments of the London Stock Exchange Main Market were consolidated into a single segment on 29 July 2024) of the London Stock Exchange with the additional ticker symbol: RTWG denoting the Sterling price. The RTWG ticker was consolidated into the USD line effective October 2024 and the Company ceased trading the GBP quote. The original ticker, RTW, continues to denote the US Dollar price.

In 2022, the Company transferred its right to the profits and losses attributable to the Group's portfolio of assets to its wholly owned subsidiary, RTW Biotech Opportunities Operating Ltd (the "Subsidiary"). All the income and expenses of the Subsidiary are consolidated with the income and expenses of the Group.

On 13 February 2024, the Group completed the acquisition of the assets of Arix Bioscience plc. To facilitate the acquisition, the Subsidiary formed RTW Biotech UK Limited (the "UK Subsidiary") as a wholly owned subsidiary of the Subsidiary to manage and integrate the Arix Bioscience plc acquired entities and assets, based on the regulatory and operational landscape in the UK. The transaction was announced on 1 November 2023 and was effected through a scheme of reconstruction and the voluntary winding-up of Arix under section 110 of the Insolvency Act 1986. The details around this transaction are further disclosed within the consolidated statement of cash flows and within Note 9.

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 consolidated financial statements are expressed in United States Dollars. The 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 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 consolidated financial statements include accounts of the Company consolidated with the accounts of the Subsidiary and the UK Subsidiary. All inter-group balances have been eliminated upon consolidation. The Subsidiary is incorporated in Guernsey and the UK Subsidiary is incorporated in the United Kingdom

Non-Controlling Interest

An affiliate of the Investment Manager, RTW Venture Performance LLC, 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 LLC in the Subsidiary. For the year ended 31 December 2024, $1,259,780 of the total loss of $4,016,622 attributable to the Non-Controlling Interest was comprised of mark to market movements of Notional Ordinary Shares (31 December 2023: $5,137,836), with $2,756,842 of the loss related to a reversal of uncrystallized performance allocation from Ordinary Shareholders to the Performance Allocation Share Class (31 December 2023: allocation of $2,756,842).

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 31 December 2024 and 31 December 2023, 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.

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 categorised 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 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. Where appropriate, a probability-weighted expected return method ("PWERM") may be employed when different potential outcomes (e.g. IPO, round of financing, stay private, dissolution, etc.) are utilised to derive the value of investments held.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024
(Expressed in United States Dollars)

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)

Unlisted investments (continued)

The market approach utilises guideline public companies relying on projected revenues and/or earnings metrics to derive an indicative enterprise value. Due to the nature of the investments, being in the early stages of development, the projected revenues are typically 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 financial metrics 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 the 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 notes

The Group values investments in convertible notes in accordance with the unlisted investments section above. As of 31 December 2024, 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 2 investments in convertible preferred stock are valued with certain adjustments to the underlying public stocks closing sales price that is listed on a national securities exchange. Level 3 investments in convertible preferred stock are valued in accordance with the unlisted investments section above. As of 31 December 2024, these investments are categorised in Level 3 of the fair value hierarchy.

Corporate bonds

The fair value of corporate bonds is estimated using recently executed transactions, market price quotations (where observable), bond spreads, or credit default swap spreads. The spread data used is for the same maturity as the bond. If the spread data does not reference the issuer, then data that references a comparable issuer is used. When observable price quotations are not available, fair value is determined based on cash flow models using yield curves, bond or single name credit default swap spreads, and recovery rates based on collateral values as key inputs. As of 31 December 2024, these investments are categorised in Level 2 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. However, to the extent that significant inputs used to determine liquidity discounts are unobservable, PIPE may be categorized in Level 3 of the fair value hierarchy. As of 31 December 2024, these investments are categorised in Level 1 of the fair value hierarchy and are recognised within common stock within the Schedule of Investments.

Revenue-Based Financing Agreement

These represent structured, non-dilutive financing alternatives for businesses seeking to raise capital in lieu typically of issuing equity. The Group may enter into a contract with an undertaking that owns the revenue interest in one or more healthcare products and such undertaking also typically plays the principal role in commercialization, marketing and sales of such product or products. This contract entitles the Group to receive a share of revenue from a stream of cash flow payments based on the sales of such product or products.

The valuation is based on an income approach utilizing management's internal projections or sell-side equity research analysts' consensus estimates in the absence of adequate brokerage analyst coverage. The projections take into account contractual terms specific to each revenue-based financing investment and are present valued based on a discount rate based on the prime rate adjusted for additional investment-specific risk that aligns to the debt-like nature of the projected cash flows specific to the Group. As of 31 December 2024, these investments are categorised in Level 3 of the fair value hierarchy.

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

Fair value – valuation techniques and inputs (continued)

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.

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. As of 31 December 2024, these investments are categorised in Level 3 of the fair value hierarchy.

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 year 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 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 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 have been calculated on a specific identification method.

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.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024
(Expressed in United States Dollars)

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 31 December 2024, the Group had cash collateral receivables of $23,390,565 (31 December 2023: $23,793,429) (see Note 3) with derivative counterparties under the same master netting arrangement.

Income taxes

The Company and Subsidiary are exempt from taxation in Guernsey and were each charged an annual exemption fee of GBP 1,600 (2023: GBP 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 consolidated financial statements. Income tax and related interest and penalties would be recognised as a tax expense in the 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, UK Subsidiary 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 31 December 2024 or 31 December 2023.

Use of estimates

Preparing 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 consolidated financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

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 31 December 2024:

	Level 1	Level 2	Level 3	Investments measured at net asset value*	Total
Assets (at fair value)					
Investments in securities					
Common stocks	362,223,884	266,171	1,457,470	–	363,947,525
Convertible preferred stocks	–	–	164,325,035	–	164,325,035
Convertible notes	–	–	32,744,748	–	32,744,748
American depository receipts	30,724,375	–	–	–	30,724,375
Investment in private investment companies	–	–	–	19,094,800	19,094,800
Revenue based financing agreement	–	–	174,613	–	174,613
Corporate bonds	–	–	–	–	-
Total investments in securities	**392,948,259**	**266,171**	**198,701,866**	**19,094,800**	**611,011,096**
Derivative contracts					
Warrants	367	87,127,278	919,671	–	88,047,316
Equity swaps	–	20,526,482	–	–	20,526,482
Contingent value rights	–	–	1,603,374	–	1,603,374
Total derivative contracts	**367**	**107,653,760**	**2,523,045**	**–**	**110,177,172**
	392,948,626	**107,919,931**	**201,224,911**	**19,094,800**	**721,188,268**
Liabilities (at fair value)					
Securities sold short					
Common stocks	94,837,287	–	–	–	94,837,287
American depository receipts	314,206	–	–	–	314,206
Total securities sold short	**95,151,493**	**–**	**–**	**–**	**95,151,493**
Derivative contracts					
Equity swaps	–	7,799,422	–	–	7,799,422
Total derivative contracts	**–**	**7,799,422**	**–**	**–**	**7,799,422**
	95,151,493	**7,799,422**	**–**	**–**	**102,950,915**

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

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024
(Expressed in United States Dollars)

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 2023:

	Level 1	Level 2	Level 3	Investments measured at net asset value*	Total
Assets (at fair value)					
Investments in securities					
Common stocks	204,773,131	1,000,720	904,339	–	206,678,190
Convertible preferred stocks	1,854,238	2,836,628	73,189,264	–	77,880,130
Investment in private investment companies	–	–	–	41,855,893	41,855,893
American depository receipts	33,213,628	–	–	–	33,213,628
Convertible notes	–	–	7,983,390	–	7,983,390
Total investments in securities	**239,840,997**	**3,837,348**	**82,076,993**	**41,855,893**	**367,611,231**
Derivative contracts					
Equity swaps	–	7,475,802	–	–	7,475,802
Warrants	5,247	6,743,593	697,472	–	7,446,312
Contingent value rights	–	–	541,706	–	541,706
Total derivative contracts	**5,247**	**14,219,395**	**1,239,178**	**–**	**15,463,820**
	239,846,244	**18,056,743**	**83,316,171**	**41,855,893**	**383,075,051**
Liabilities (at fair value)					
Securities sold short					
Common stocks	1,146,920	51,001	–	–	1,197,921
Total securities sold short	**1,146,920**	**51,001**	**–**	**–**	**1,197,921**
Derivative contracts					
Equity swaps	–	8,390,327	–	–	8,390,327
Total derivative contracts	**–**	**8,390,327**	**–**	**–**	**8,390,327**
	1,146,920	**8,441,328**	**–**	**–**	**9,588,248**

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

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 31 December 2024 and 31 December 2023:

	Fair value at 31 December 2024	Valuation techniques	Significant unobservable inputs	Range of inputs
Assets (at fair value)				
Investments in securities				
Convertible preferred stocks	56,837,402	Recent transaction price	n/a	n/a
	37,870,153	Discounted cash flow	WACC	10% – 31%
		and/or market approach	Revenue multiples	2.0x – 4.0x
			Market rate of returns	(13%) – 15%
	69,559,998	Probability-weighted expected return method ("PWERM")	WACC Revenue multiples Market step-up multiple	10% – 20% 4.0x 0.8x – 2.1x
			Market rate of returns	(5%) – 5%
	57,482	Liquidation value	n/a	n/a
Convertible notes	32,156,487	PWERM	Discount rate	6% –12%
			Market step-up multiple	0.9x – 1.2x
			Market rate of returns	(5%) – 5%
			Expected volatility	60%
	588,261	Recent transaction price	n/a	n/a
Common stocks	246,828	Recent transaction price	n/a	n/a
	375,605	Liquidation value	n/a	n/a
	835,037	Probability-weighted expected return method ("PWERM")	Market step-up multiple Market Rate of Returns	0.9x – 1.2x 5% – 5%
Revenue interest financing	174,613	Discounted cash flow and/or market approach	WACC	28% – 28%
Total investments in securities	**198,701,866**			
Derivative contracts				
Contingent value rights	1,603,374	Recent transaction price	n/a	n/a
Warrants	919,671	Discounted cash flow and/or market approach and option pricing model	Expected volatility	40%
Total derivative contracts	**2,523,045**			

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024
(Expressed in United States Dollars)

2. Fair value measurements (continued)

	Fair value at 31 December 2023	Valuation techniques	Significant unobservable inputs	Range of inputs
Assets (at fair value)				
Investments in securities				
Convertible preferred stocks	44,732,084	Recent transaction price	n/a	n/a
	19,614,346	Discounted cash flow	WACC	13% – 30%
		and/or market approach	Revenue multiples	2.8x – 4.0x
			Market rate of returns	(18%) – 10%
	8,727,481	Probability-weighted expected return method ("PWERM")	WACC Revenue multiples Market step-up multiple	12% – 20% 4.0x 0.7x – 1.8x
			Market rate of returns	(23)% – 10%
			Recovery rate	50%
	115,353	Liquidation value	n/a	n/a
Convertible notes	7,566,258	PWERM	Discount rate	5% – 7%
			Expected volatility	60%
	352,904	Discounted cash flow	WACC	26%
		and/or market approach	Revenue multiples	4.0x
			Market rate of returns	(3%)
	64,228	Recent transaction price	n/a	n/a
Common stocks	798,531	Recent transaction price	n/a	n/a
	105,808	Market approach	Revenue multiples	0.5x – 0.6x
Total investments in securities	**82,076,993**			
Derivative contracts				
Warrants	697,472	Recent transaction price	Expected volatility	38% – 43%
		and option pricing model		
Contingent value rights	541,706	Recent transaction price	n/a	n/a
Total derivative contracts	**1,239,178**			

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.

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 year ended 31 December 2024 were as follows:

	Balance beginning 1 January 2024	Realised gains/ (losses)[a]	Change in Unrealised gains/ (losses)[a]	Purchases	Sales	Transfers into/ (from) Level 3[b]	Ending balance 31 December 2024
Assets (at fair value)							
Investments in securities							
Common stocks	904,339	3,423,828	(8,477,436)	9,030,018	(4,897,750)	1,474,471	1,457,470
Convertible preferred stocks	73,189,264	–	32,032,300	67,196,769	–	(8,093,298)	164,325,035
Convertible notes	7,983,390	83,537	(570,999)	27,016,689	(1,768,682)	813	32,744,748
Revenue based financing agreement	–	–	13,882	160,731	–	–	174,613
Total investments in securities	**82,076,993**	**3,507,365**	**22,997,747**	**103,404,207**	**(6,666,432)**	**(6,618,014)**	**198,701,866**
Derivative contracts							
Warrants	697,472	–	221,386	–	–	813	919,671
Contingent value rights	541,706	812,225	430,401	466,419	(812,225)	164,848	1,603,374
Total derivative contracts	**1,239,178**	**812,225**	**651,787**	**466,419**	**(812,225)**	**165,661**	**2,523,045**

Changes in Level 3 assets and liabilities measured at fair value for the year ended 31 December 2023 were as follows:

	Balance beginning 1 January 2023	Realised gains/ (losses)[a]	Change in Unrealised gains/ (losses)[a]	Purchases	Sales	Transfers into/ (from) Level 3[c]	Ending balance 31 December 2023
Assets (at fair value)							
Investments in securities							
Common stocks	3,364,557	–	(304,109)	–	–	(2,156,109)	904,339
Convertible preferred stocks	57,932,949	–	6,114,014	7,595,169	–	1,547,132	73,189,264
Convertible notes	10,052,833	–	(1,329,981)	11,536,901	–	(12,276,363)	7,983,390
Total investments in securities	**71,350,339**	**–**	**4,479,924**	**19,132,070**	**–**	**(12,885,340)**	**82,076,993**
Derivative contracts							
Warrants	476,911	–	21,813	321,257	–	(122,509)	697,472
Contingent value rights	–	–	541,706	–	–	–	541,706
Total derivative contracts	**476,911**	**–**	**563,519**	**321,257**	**–**	**(122,509)**	**1,239,178**

(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 consolidated statement of operations.
(b) Conversions of preferred stock into common stock.
(c) Includes conversion of convertible bonds into convertible preferred stock and convertible notes.

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

	2024	2023
Common stocks	(8,477,436)	116,949
Convertible notes	(570,999)	(919,115)
Convertible preferred stocks	32,081,173	6,199,338
Revenue Based Financing Agreement	13,882	–
Contingent value rights	430,401	541,706
Warrants	221,386	21,813
Change in unrealised gains and losses during the year for assets still held at year end	**23,698,407**	**5,960,691**

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024
(Expressed in United States Dollars)

2. Fair value measurements (continued)

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:

	2024	2023
Realised gains	96,931,839	127,739,248
Realised losses	(60,671,005)	(60,622,155)
Net realised gain on securities, derivative contracts and securities sold short	**36,260,834**	**67,117,093**

	2024	2023
Change in unrealised gains	190,826,387	132,672,225
Change in unrealised losses	(184,163,957)	(111,833,730)
Net change in unrealised gain/(loss) on securities, derivative contracts and securities sold short	**6,662,430**	**20,838,495**

As at 31 December 2024, the Group had commitments (subject to completion of certain parameters) to certain investments totalling $22,390,694 (31 December 2023: $59,732,160), which was mainly comprised of a $14,651,294 commitment to the 4010 Royalty Fund.

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 31 December 2024, due from brokers totalled $27,990,478 (31 December 2023: $57,887,214). Included within due from brokers is $4,599,913 (31 December 2023: $34,093,785) which can be used for investment. The Group pledged cash collateral to counterparties to over-the-counter derivative contracts of $23,390,565 (31 December 2023: $23,793,429) 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.

4. Derivative contracts

In the normal course of business, the Group utilises 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.

4. Derivative contracts (continued)

Contingent value rights

The Group may receive contingent value rights during mergers, acquisitions, or divestitures. Contingent value rights are designed to provide the Group with additional compensation or benefits contingent upon the occurrence of specific future events, such as regulatory approvals, milestones related to product development or commercialization, or the achievement of certain financial targets. Contingent value rights are subject to the uncertainty of payout, as their value hinges on the occurrence of specific events. The Group considers the uncertainty when determining the fair value of its investments in contingent value rights.

Volume of derivative activities

The Group considers the average month-end notional amounts during the year, categorised by primary underlying risk, to be representative of the volume of its derivative activities during the year ended 31 December 2024:

	2024		2023	
Primary underlying risk	Long exposure Notional amounts	Short exposure Notional amounts	Long exposure Notional amounts	Short exposure Notional amounts
Equity price				
Equity swaps	60,394,443	30,266,515	64,032,939	56,046,951
Warrants[(a)]	92,282,619	–	3,963,562	–
Contingent value rights	2,070,315	–	541,706	–
	154,747,377	**30,266,515**	**68,538,207**	**56,046,951**

(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 consolidated statement of assets and liabilities and consolidated statement of operations

The following tables identify the fair value amounts of derivative instruments included in the consolidated statement of assets and liabilities as derivative contracts, categorised by primary underlying risk, at 31 December 2024 and 31 December 2023. The following table also identifies the gain and loss amounts included in the 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 year ended 31 December 2024 and 31 December 2023.

	2024			
Primary underlying risk	Derivative assets	Derivative liabilities	Realised gain/(loss)	Change in unrealised gain/(loss)
Equity price				
Warrants	88,047,316	–	(19,829)	27,075,679
Equity swaps	20,526,482	7,799,422	7,447,081	13,641,585
Contingent value rights	1,603,374	–	812,225	430,401
	110,177,172	**7,799,422**	**8,239,477**	**41,147,665**

	2023			
Primary underlying risk	Derivative assets	Derivative liabilities	Realised gain/(loss)	Change in unrealised gain/(loss)
Equity price				
Equity swaps	7,475,802	8,390,327	(2,428,614)	(11,074,111)
Warrants	7,446,312	–	(373)	1,408,458
Contingent value rights	541,706	–	–	541,706
	15,463,820	**8,390,327**	**(2,428,987)**	**(9,123,947)**

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 31 December 2024 and 31 December 2023, no securities were loaned and no collateral was received.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024
(Expressed in United States Dollars)

6. Offsetting assets and liabilities

The Group is required to disclose the impact of offsetting assets and liabilities represented in the consolidated statement of assets and liabilities to enable users of the 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 31 December 2024 and 31 December 2023, the Group held financial instruments and derivative instruments that were eligible for offset in the 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 consolidated statement of assets and liabilities. The following table presents the potential effect of netting arrangements for asset derivative contracts presented in the consolidated statement of assets and liabilities:

				31 December 2024 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	Financial instruments[(a)]	Cash collateral received[(b)]	Net amount
Equity swaps						
Cowen Financial Products, LLC	11,004,397	–	11,004,397	(3,666,923)	–	7,337,474
Morgan Stanley & Co. LLC	5,639,240	–	5,639,240	(2,056,637)	–	3,582,603
Bank of America Merrill Lynch	3,411,345	–	3,411,345	(49)	–	3,411,296
Jefferies & Co.	471,500	–	471,500	(471,500)	–	–
	20,526,482	**–**	**20,526,482**	**(6,195,109)**	**–**	**14,331,373**

				31 December 2023 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	Financial instruments[(a)]	Cash collateral received[(b)]	Net amount
Equity swaps						
Cowen Financial Products, LLC	6,235,319	–	6,235,319	(286,396)	–	5,948,923
Jefferies & Co.	1,058,293	–	1,058,293	(758,677)	–	299,616
Morgan Stanley & Co. LLC	129,527	–	129,527	(129,527)	–	–
Bank of America Merrill Lynch	52,663	–	52,663	(52,663)	–	–
	7,475,802	**–**	**7,475,802**	**(1,227,263)**	**–**	**6,248,539**

(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 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.

6. Offsetting assets and liabilities (continued)

The following tables present the potential effect of netting arrangements for liability derivative contracts presented in the consolidated statement of assets and liabilities as of 31 December 2024 and 31 December 2023:

				31 December 2024 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						
Cowen Financial Products, LLC	3,666,923		3,666,923	(3,666,923)	–	–
Jefferies & Co.	2,069,804	–	2,069,804	(471,500)	(1,598,304)	–
Morgan Stanley & Co. LLC	2,056,637	–	2,056,637	(2,056,637)	–	–
J.P. Morgan Securities, LLC	6,009	–	6,009	–	–	6,009
Bank of America Merrill Lynch	49	–	49	(49)	–	–
	7,799,422	**–**	**7,799,422**	**(6,195,109)**	**(1,598,304)**	**6,009**

				31 December 2023 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	4,382,764	–	4,382,764	(52,663)	(4,320,957)	9,144
Morgan Stanley & Co. LLC	2,962,490	–	2,962,490	(129,527)	(2,832,963)	–
Jefferies & Co.	758,677	–	758,677	(758,677)	–	–
Cowen Financial Products, LLC	286,396	–	286,396	(286,396)	–	–
	8,390,327	**–**	**8,390,327**	**(1,227,263)**	**(7,153,920)**	**9,144**

(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 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 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 Company is designed only for sophisticated persons who are able to bear the economic risk of the loss of their entire investment in the Company and who have a limited need for liquidity in their investment. The following risks are applicable to the Company:

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.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024
(Expressed in United States Dollars)

8. Risk factors (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 Company'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, Guernsey 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.

9. Share capital

During the year ended 31 December 2024 the Company share activity was as follows:

	2024 Number of Ordinary Shares	2024 Number of Treasury Shares	2023 Number of Ordinary Shares	2023 Number of Treasury Shares
As at 1 January	210,635,347	1,753,791	212,389,138	–
Share issuance	133,578,302	–	–	–
Share buyback	(8,500,000)	8,500,000	(1,753,791)	1,753,791
As at 31 December	**335,713,649**	**10,253,791**	**210,635,347**	**1,753,791**

During the year ended 31 December 2024, the Company bought back 8,500,000 (31 December 2023: 1,753,791) Ordinary Shares at an average price of US$1.33 (31 December 2023: $1.19) for a total cost of US$11,340,306 (31 December 2023: $2,093,411), including transaction costs of $22,681 (31 December 2023: $4,178). At the date of approval of these consolidated financial statements, 10,253,791 repurchased Ordinary Shares were held as treasury shares (31 December 2023: 1,753,791).

During the year ended 31 December 2024, the Company issued 181,901,165 Ordinary Shares to facilitate the acquisition of Arix Bioscience plc in an all-share transaction for $246,476,079 with associated issuance costs of $6,473,897. Of the 181,901,165 Ordinary Shares, 48,322,863, with a value of $59,221,117, were issued to the Group as existing shareholders of Arix Bioscience plc, and were subsequently cancelled. The details around this transaction are further disclosed within the consolidated statement of cash flows and within Note 1.

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 LLC 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 LLC. As at 31 December 2024, there were no Performance Allocation Shares of the Company in issue (31 December 2023: nil) and one New Performance Allocation Share of the Subsidiary in issue (31 December 2023: 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 year ended 31 December 2024 amounted to $7,611,701 (year ended 31 December 2023: $4,269,757) of which $nil (31 December 2023: $nil) was outstanding at the year end.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024
(Expressed in United States Dollars)

10. Related party transactions (continued)
Performance Allocation

The Performance Allocation Share held by RTW Venture Performance LLC 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.

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 year ended 31 December 2024 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 loss of $1,259,780 in 2024 (31 December 2023: mark to market gain of $5,137,836), which is included in Performance Allocation within the consolidated statement of changes in net assets. There was a reversal of uncrystallized performance allocation from Ordinary Shareholders to the Performance Allocation Share Class of $2,756,842 related to the Group's performance in the period (31 December 2023: allocation of $2,756,842). The Performance Allocation Amount was not adjusted in relation to the Ordinary Shares issued related to the Arix transaction (as set out within Note 9).

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 LLC 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 Ordinary Shares.

RTW Venture Performance LLC, an affiliate of 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 year ended 31 December 2024, the Board did not approve a cash distribution to the Performance Allocation Share Class (year ended 31 December 2023: $nil). At the year end the Performance Allocation Share Class of the Subsidiary is reflected within the Non-Controlling Interest balance of $25,722,524 (31 December 2023: $29,739,146).

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

On 6 July 2023, the Group signed a $25,000,000 commitment to 4010 Royalty Fund, a private fund created and managed by RTW Investments, LP. The Group subsequently funded $23,892,852 of this commitment on 20 July 2023, had $13,544,146 of capital returned on 1 October 2024 and had a remaining commitment of $14,651,294 at 31 December 2024 (31 December 2023: $1,107,148). No management or performance fees are charged to the Group at the 4010 Royalty Fund.

10. Related party transactions (continued)

Director fees and interests

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

As at 31 December 2024, the number of Ordinary Shares held by each Director was as follows:

	2024 Number of Ordinary Shares	2023 Number of Ordinary Shares
William Simpson	200,000	200,000
Paul Le Page	128,000	128,000
William Scott	400,000	350,000
Nicola Blackwood	–	N/A
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 boards of the following investments: Rocket, Corxel Pharmaceuticals (formerly Ji Xing Pharmaceuticals Ltd.), HSA2 Holdings, LLC and Yarrow Biotechnology. As at 31 December 2024, he held 49,643,313 Ordinary Shares in the Group (14.79% of the Ordinary Shares in issue) (31 December 2023: 29,593,872, 14.10% of the Ordinary Shares in issue).

The total Directors' fees expense for the year amounted to $262,477 (31 December 2023: $177,011) of which $71,029 was outstanding at 31 December 2024 (31 December 2023: $50,369) and is included within accrued expenses.

All of the Directors of the Company are also directors of the Subsidiary. Each has served since the Subsidiary's incorporation on 23 November 2022, except Baroness Blackwood, who was appointed a director of the Subsidiary alongside her appointment as director of the Company on 11 July 2024. Stephanie Sirota is also a director of the UK Subsidiary.

Incubated Companies

The Group invests in RTW incubated companies. Incubated companies are those portfolio companies that are formed and supported by RTW ("Incubated Companies"). Incubated Companies generally are small, emerging companies that are unseasoned, unprofitable and/or have no established operating history or earnings. These companies may also lack technical, marketing, financial and other resources or may be dependent upon the success of one product or service or the effectiveness of RTW and its management team.

Employees of RTW and employees of certain RTW affiliates are expected to serve as executives, officers, directors, members, consultants or employees of such companies. These individuals are eligible for compensation in the Incubated Companies in the form of founder shares or other forms of company securities. Certain RTW employees who perform specific executive functions for such Incubated Companies may also receive cash compensation directly or indirectly from those companies. For the avoidance of doubt, these employees do not receive such compensation from both RTW and the Incubated Company. These employees receive 100% of their compensation from RTW and RTW charges back to the Incubated Company for the applicable percentage of their time spent on executive functions at the Incubated Company. Employees of RTW and employees of certain RTW affiliates may also receive compensation in the form of stock options or other securities from certain Incubated Companies in connection with their delivery of specified products, research and consulting services. RTW believes this is an effective way to align incentives and motivate employees, while reducing the financial burden on the newly Incubated Companies by minimizing the need to hire external employees.

11. Administrative services

Altum (Guernsey) Limited (previously named Elysium Fund Management Limited ("Altum")) 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 year ended 31 December 2024, Altum and MSFS charged administration fees of $388,732 and $360,917 respectively (31 December 2023: Altum charged $421,468 (including $212,000 (GBP165,000) in respect of one-off work and compensation for work performed in prior years) and MSFS charged $251,954), of which a prepayment of $5,693 and an accrual of $105,860 (31 December 2023: Altum $18,465, MSFS $94,250) were outstanding at 31 December 2024, and were included within accrued expenses.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024
(Expressed in United States Dollars)

12. Financial highlights

Financial highlights for the year ended 31 December 2024 and 31 December 2023 are as follows:

	2024	2023
Per Ordinary Share operating performance		
Net Asset Value, beginning of year	$ 1.90	$ 1.54
Cost of issuance of Ordinary Shares	(0.23)	–
Share buybacks	0.03	–
Income from investments		
Net investment income/(loss)	(0.03)	(0.02)
Net realised and unrealised gain/(loss) on securities, derivatives and foreign currency transactions	0.13	0.42
Income/(loss) attributable to Non-Controlling Interest	0.01	(0.04)
Total from investment operations	**0.11**	**0.36**
Net Asset Value, end of year	**$1.81**	**$1.90**
Total return		
Total return before Performance Allocation	(5.25) %	24.27 %
Performance Allocation (excluding mark to market)	0.62 %	(0.80) %
Total return after Performance Allocation	**(4.63) %**	**23.47 %**
Ratios to average net assets*		
Expenses	2.78 %	2.58 %
Performance Allocation (including mark to market)	(0.66) %	2.28 %
Expenses and Performance Allocation	**2.12 %**	**4.86 %**
Net investment income/(loss)	(1.44) %	(1.38) %
NAV total return for the year	**(4.63) %**	**23.47 %**

* 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

From 31 December 2024 to the date of approval of these consolidated financial statements, the Company bought back 950,000 Ordinary Shares at an average price of $1.26 for a total cost of $1,199,347, including transaction costs of $1,811. At the point of signing these consolidated financial statements, all 950,000 of the Ordinary Shares were held as treasury shares.

On 14 February 2025, William Simpson purchased an additional 40,000 Ordinary Shares taking his total holding to 240,000 Ordinary Shares, representing 0.07% of issued share capital. On 24 February 2025, Rod Wong further increased his shareholding to 50,356,880, representing 15.04% of issued share capital.

These consolidated financial statements were approved by the Board of Directors on 28 March 2025. Subsequent events have been evaluated through this date.

Additional Information

04 // ADDITIONAL INFORMATION

General Company Information

General Company Information

Structure	Closed-end Investment Fund
Domicile	Guernsey
Listing	London Stock Exchange
Launch date	30 October 2019
Dividend policy	To be reinvested
Management fee	1.25%
Performance fee	20% with an 8.0% annualised and compounded-since-inception hurdle
ISIN	GG00BKTRRM22
SEDOL	BKTRRM2
Ticker	RTW
LEI	549300Q7EXQQH6KF7Z84
Website	www.rtwfunds.com/rtw-biotech-opportunities-ltd

Defined Terms

"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 Altum (Guernsey) Limited (previously named Elysium Fund Management Limited);
"Admission"	means admission of the Ordinary Shares to trading on the Main Market of the London Stock Exchange on 30 October 2019;
"AIC"	the Association of Investment Companies;
"AIC Code"	the AIC Code of Corporate Governance dated February 2019;
"AIFM"	means Alternative Investment Fund Manager;
"AIFMD"	the Alternative Investment Fund Managers Directive;
"Annual Report"	the Annual Report and audited financial statements;
"Antibody"	a large Y-shaped blood protein that can stick to the surface of a virus, bacteria, or receptor on a cell;
"Antibody-Oligonucleotide Conjugates" or "AOC"	molecules that combine structures of an antibody and an oligo;
"Arix"	Arix Bioscience plc, the company whose assets the Company acquired in February 2024;
"ASCO"	American Society of Clinical Oncology, also the name of the Society's annual oncology conference;
"Autoimmune diseases"	conditions, where the immune system mistakenly attacks a body tissue;
"Bispecifics"	bispecific antibodies (BsAbs) have two distinct binding domains that can bind to two antigens or two epitopes (an antigen part) of the same antigen simultaneously;
"Calculation Date"	31 December or, if such date is not a business day, the previous business day;
"Cardiometabolic diseases"	a group of common but often preventable conditions including heart attack, stroke, diabetes, insulin resistance and non-alcoholic fatty liver disease;
"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. Trials in human subjects range from Phase 1 to Phase 3;
"Companies Law"	the Companies (Guernsey) Law, 2008 (as amended);
"the Company"	RTW Biotech Opportunities Ltd (or RTW Bio) 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 and any other position deemed by the Investment Manager to be in the core portfolio;
"Corporate Brokers"	Bank of America and Deutsche Numis;
"CRS"	Common Reporting Standard;
"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;
"DTR"	Disclosure Guidance and Transparency Rules of the UK's FCA;
"Fanconi Anaemia"	a rare genetic blood condition in young children;
"FATCA"	the Foreign Account Tax Compliance Act;
"FCA"	the Financial Conduct Authority;
"FDA"	the United States Food and Drug Administration;
"FRC"	the Financial Reporting Council;
"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;
"GFSC"	the Guernsey Financial Services Commission;
"GFSC Code"	the GFSC Finance Sector Code of Corporate Governance as amended in June 2021;
"GLP-1"	drugs that mimic the action of naturally occurring hormone glucagon-like peptide-1, which is produced in the intestines. Plays a crucial role in regulating blood sugar levels by stimulating insulin release, slowing stomach emptying and reducing appetite;
"Greater China"	encompasses mainland China, Macau, Hong Kong and Taiwan;
"the Group"	the Company and its subsidiaries, RTW Biotech Opportunities Operating Ltd RTW Biotech UK Ltd;
"HCM" or "Hypertrophic cardiomyopathy"	a cardiovascular disease characterised by an abnormally thick heart muscle;
"Investment Manager"	RTW Investments, LP, also called RTW Investments;

Defined Terms (continued)

"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;
"LAD-I"	Leukocyte adhesion deficiency, a rare genetic disorder of immunodeficiency in young children;
"Listing Rules"	the listing rules made under section 73A of the Financial Services and Markets Act 2000 (as set out in the FCA Handbook), as amended;
"London Stock Exchange"	London Stock Exchange plc;
"LSE"	London Stock Exchange's main market for listed securities;
"MASH"	metabolic dysfunction-associated steatohepatitis;
"Medtech"	medical technology subsector of healthcare;
"Merck"	Merck & Co., Inc.;
"Multi-omics"	a biological analysis approach in which the data sets are multiple "omes", such as the genome, proteome, transcriptome, epigenome, metabolome, and microbiome;
"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;
"New Performance Allocation Shares"	performance allocation shares of no-par value in the capital of the Subsidiary;
"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;
"Omics"	any of several areas of biological study defined by the investigation of the entire complement of a specific type of biomolecule or the totality of a molecular process within an organism. In biology the word omics refers to the sum of constituents within a cell. The omics sciences share the overarching aim of identifying, describing, and quantifying the biomolecules and molecular processes that contribute to the form and function of cells and tissues;
"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 mostly matching, on a pro-rata 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, which was consolidated into the Main Market and ceased to exist as of July 2024;
"Prospectus"	the prospectus of the Company, most recently updated on 5 January 2024 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"	MUFG Pension & Market Services (formerly Link Group);
"RFK Jr"	Robert F. Kennedy, Junior;
"RNA medicines"	a type of biotechnology that uses RNA to treat a disease;

Defined Terms (continued)

“Russell 2000 Biotechnology Index” or “RGUSHSBT”	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;
“the Subsidiary” or “OpCo”	RTW Biotech Opportunities Operating Ltd;
“Type 1 Diabetes” or “TD1”	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;
“UK AIFMD”	refers to a domestic regime of laws regulating the management and marketing of alternative investment funds and fund managers in the UK, which generally maintains the rules set out in the European Union’s AIFMD as implemented at the end of the transition period following Brexit;
"UK Code"	the UK Corporate Governance Code 2018 published by the Financial Reporting Council in July 2018;
“UK-Guernsey IGA”	The UK-Guernsey Intergovernmental Agreement for the Automatic Exchange of Information;
“the UK Subsidiary”	RTW Biotech UK Ltd;
“US GAAP”	United States Generally Accepted Accounting Principles;
“Valuation Committee”	Valuation Committee of the Investment Manager;
“WACC”	weighted average cost of capital;

Listing of portfolio company abbreviations used throughout this report

Shorthand Company Name	Legal Company Name
89Bio	89Bio Inc.
Abdera	Abdera Therapeutics, Inc.
Acelyrin	Acelyrin, Inc.
Alcyone	Alcyone Therapeutics, Inc.
Akero	Akero Therapeutics
Aktis	Aktis Oncology
Alesta	Alesta Therapeutics
Allurion	Allurion Technologies, Inc.
Amplyx	Amplyx Pharmaceuticals
Ancora	Ancora Heart, Inc.
Apogee	Apogee Therapeutics, Inc.
Artios	Artios Pharma, Inc.
Artiva	Artiva Biotherapeutics, Inc.
Athira	Athira Pharma, Inc.
Avidity	Avidity Biosciences, Inc.
Basking	Basking Biosciences, Inc.
BioAge Labs	BioAge Labs, Inc.
Biomea	Biomea Fusion, Inc.
C4 Therapeutics	C4 Therapeutics, Inc.
Cargo	Cargo Therapeutics, Inc.
CinCor	CinCor Pharma, Inc.
City Therapeutics	City Therapeutics, Inc.
Corxel	Corxel Pharmaceuticals
Depixus	Depixus SAS
Encoded	Encoded Therapeutics, Inc.
Ensoma	Ensoma, Inc.
Evommune	Evommune, Inc.
Frequency	Frequency Therapeutics, Inc.
GH Research	GH Research PLC
Harpoon	Harpoon Therapeutics
HSAC2	Health Sciences Acquisition Corporation 2
Immunocore	Immunocore Limited
Iteos	iTeos Therapeutics, Inc.
Jade	Jade Biosciences
Ji Xing or JIXING	Ji Xing Pharmaceuticals Limited
Kailera	Kailera Therapeutics
Kyverna	Kyverna Therapeutics, Inc.
Landos	Landos Biopharma, Inc.
Lenz	Lenz Therapeutics
Lycia	Lycia Therapeutics, Inc.
Magnolia	Magnolia Medical Technologies, Inc.
Mantle	Mantle Therapeutics
Merus	Merus N.V.
Milestone	Milestone Pharmaceuticals, Inc.
Mineralys	Mineralys Therapeutics, LLC
Mirador	Mirado Therapeutics
Monte Rosa	Monte Rosa Therapeutics, Inc.
Neurogastrx	Neurogastrx, Inc.
Nikang	Nikang Therapeutics, Inc.
Nuance	Nuance Pharma
Numab	Numab Therapeutics, Inc.
Obsidian	Obsidian Therapeutics, Inc.
Orchestra	Orchestra BioMed, Inc.

Listing of portfolio company abbreviations used throughout this report (continued)

Shorthand Company Name	Legal Company Name
OriCell	OriCell Therapeutics (Shanghai) Co., Ltd
Ottimo	Ottimo Pharma
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)
RTW Royalty Fund	4010 Royalty Fund, a private fund created and managed by RTW Investments, LP.
InBrace or Swift Health	Swift Health, Inc.
Santa Ana	Santa Ana Bio, Inc.
Sorriso	Sorriso Pharmaceuticals
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
Yellow Jersey	Yellow Jersey Therapeutics

Alternative Performance Measures (unaudited)

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 divided by the number of Ordinary Shares in issue 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 or 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 and the NAV per share at the beginning of the period minus one expressed as a percentage.
Share price growth/ Total Shareholder Return	The percentage increase or 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 and the price per share at the beginning of the period minus one, 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 and the NAV per share at the end of the period 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 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.
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
Leverage	As defined by the AIFMD, any method by which the AIFM increases the exposure of an AIF it manages, whether through borrowing of cash securities, or leverage embedded in derivative positions or by any other means.	A measure of the excess of the Group's investments exposure over its total net assets.	Calculated in accordance with the AIFMD's gross and commitment methodologies as outlined in Articles 7 and 8 of the Delegated Regulation 231/2013: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32013R0231

Ongoing Charges	2024 US$	2023 US$
Fees to Investment Manager	7,611,701	4,269,757
Legal and professional fees	1,432,954	749,328
Research costs	849,452	474,511
Administration fees [1]	749,649	673,422
Audit fees	366,984	341,500
Directors' remuneration	262,477	177,011
Other expenses	887,540	687,805
Total expenses	**12,160,757**	**7,373,334**
Non-recurring expenses	(955,871)	(453,231)
Total ongoing expenses	**11,204,886**	**6,920,103**
Average NAV	638,541,373	369,419,055
Annualised ongoing charges (using AIC methodology)	**1.75%**	**1.87%**

1 The Administration fees in 2023 include US$212,000 (GBP 165,000) in respect of one-off work and compensation for work performed in prior years (see note 11), which is included in the non-recurring expenses.

AIFMD Disclosures (unaudited)

Report on remuneration and quantitative remuneration disclosure

Under the Alternative Investment Fund Managers Regulations ('UK AIFMD'), we are required to make disclosures relating to remuneration of staff working for the Investment Manager for the year to 31 December 2024

Amount of remuneration paid

The Investment Manager paid the following remuneration to staff in respect of the financial year ending on 31 December 2024 in relation to work on the Group.

	2024 US$'000	2023 US$'000
Fixed remuneration	1,194	814
Variable remuneration	2,684	1,332
Total remuneration	3,878	2,146
Number of beneficiaries	77	77

The amount of the aggregate remuneration paid (or to be paid) by the Investment Manager to its partners which has been attributed to the Group in respect of the financial year ending on 31 December 2024 was US$91.0 million (2023: US$77.8 million). The amount of the total remuneration paid by the Investment Manager to members of its staff whose actions have a material impact on the risk profile of the Group which has been attributed to the Group in respect of financial year ending on 31 December 2024 was US$76.4 million (2023: US$69.1 million).

Leverage

The Group may employ leverage and borrow cash, up to a maximum of 50 per cent of the NAV at the time of incurrence, in accordance with its stated investment policy. The use of borrowings and leverage has attendant risks and can, in certain circumstances, substantially increase the adverse impact to which the Group's investment portfolio may be subject. For the purposes of this disclosure, leverage is any method by which the Group's exposure is increased, whether through borrowing of cash or securities, or leverage embedded in foreign exchange forward contracts or by any other means. AIFMD requires that each leverage ratio be expressed as the ratio between a company's exposure and its net asset value, and prescribes two required methodologies, the gross methodology and the commitment methodology (as set out in AIFMD Level 2 Implementation Guidance), for calculating such exposure. Using the methodologies prescribed under AIFMD, the leverage of the Group is detailed in the table below:

	Commitment leverage as at 31 December		Gross leverage as at 31 December	
	2024	2023	2024	2023
Leverage ratio	123%	115%	140%	100%

Other risk disclosures

The risk disclosures relating to risk framework and risk profile of the Group are set out in note 8 to the Financial Statements on pages 97 to 98 and the principal risks and uncertainties on pages 38 to 40.

Pre-investment disclosures

AIFMD requires certain information to be made available to investors in an Alternative Investment Fund ('AIF') before they invest and requires that material changes to this information be disclosed in the Annual Report of the AIF. There have been no material changes (other than those reflected in these financial statements) to this information requiring disclosure.

Schedule of Key Service Providers

Board of Directors
William Simpson (Chair, Chair of Management Engagement Committee, Chair of Sustainability Committee)
Paul Le Page (Chair of Audit Committee)
William Scott (Chair of Nomination & Remuneration Committee)
Nicola Blackwood (Senior Independent Non-Executive Director) *
Stephanie Sirota

Investment Manager and AIFM
RTW Investments, LP
40 10th Avenue
Floor 7
New York
NY 10014
United States of America

Registered office
1st Floor, Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey
GY1 3JX

Administrator and Company Secretary
Altum (Guernsey) Limited (previously named 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

Guernsey Advocates
Carey Olsen (Guernsey) LLP
Carey House
Les Banques
St Peter Port
Guernsey
GY1 4BZ

UK Legal Advisers
Herbert Smith Freehills LLP
Exchange House
Primrose Street
London EC2A 2EG

Corporate Brokers
BofA Securities
2 King Edward Street
London EC1A 1HQ

Deutsche Numis Securities
45 Gresham Street
London EC2V 7BF

Share Registrar
MUFG Corporate Markets (Guernsey) Limited **
Mont Crevelt House
Bulwer Avenue
St Sampson
Guernsey
GY2 4LH

Sustainability Consultant
Terra Instinct
40-41 Pall Mall
London SW1Y 5JQ

Public Relations & Communications***
Cadarn Capital
c/o WeWork
1 Fore Street Avenue
London
EC2Y 9DT

Distribution & IR Partner
Cadarn Capital
c/o WeWork
1 Fore Street Avenue
London EC2Y 9DT

Independent Auditor
KPMG Channel Islands Limited
Glategny Court
Glategny Esplanade
St Peter Port
Guernsey
GY1 1WR

Principal Bankers
Barclays Bank PLC, Guernsey Branch
St Julian's Court
St Julian's Avenue
St Peter Port
Guernsey
GY1 4NA

Identifiers:
ISIN: GG00BKTRRM22
SEDOL: BKTRRM2
Ticker: RTW
LEI: 549300Q7EXQQH6KF7Z84

www.rtwfunds.com/rtw-biotech-opportunities-ltd/

* On 11 July 2024, Baroness Nicola Blackwood was appointed as an independent Non-Executive Director, and on 9 December 2024, was appointed as the Company's Senior Independent Non-Executive Director.

** The Group's share registrar, Link Group, was acquired by MUFG in May 2024.

*** On 1 November 2024, Cadarn Capital was appointed as Public Relations & Communications Partner.

rtw Biotech Opportunities

RTW Biotech Opportunities Ltd

1st Floor, Royal Chambers,
St Peter Port, Guernsey, GY1 3JX
United Kingdom

RTW Investments, LP

40 10th Avenue, Floor 7
New York, NY 10014

(646) 597-6980

rtwfunds.com

Find more information at:
rtwbio.com

biotechopportunities@rtwfunds.com