rtw Biotech Opportunities

Monthly Factsheet and Quarterly Letter

31 December 2023

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

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

KEY CURRENT STATISTICS

US $399.3M Ordinary NAV	US $1.90 NAV per ordinary share
US $1.40 Share price	15.0% NAV return for the month
US $294.9M Market cap	210,635,347 Shares outstanding
36 Number of core positions	-26.0% Premium/Discount

HISTORICAL ANNUAL PERFORMANCE

	NAV	Share Price	RGUSHSBT**	NBI**
2023	23.5%	16.0%	10.6%	3.7%
2022	-10.2%	-32.0%	-31.3%	-10.9%
2021	-12.8%	-5.3%	-26.9%	-0.6%
2020	53.9%	37.2%	52.8%	25.7%
2019	22.4%	31.7%	23.4%	12.1%

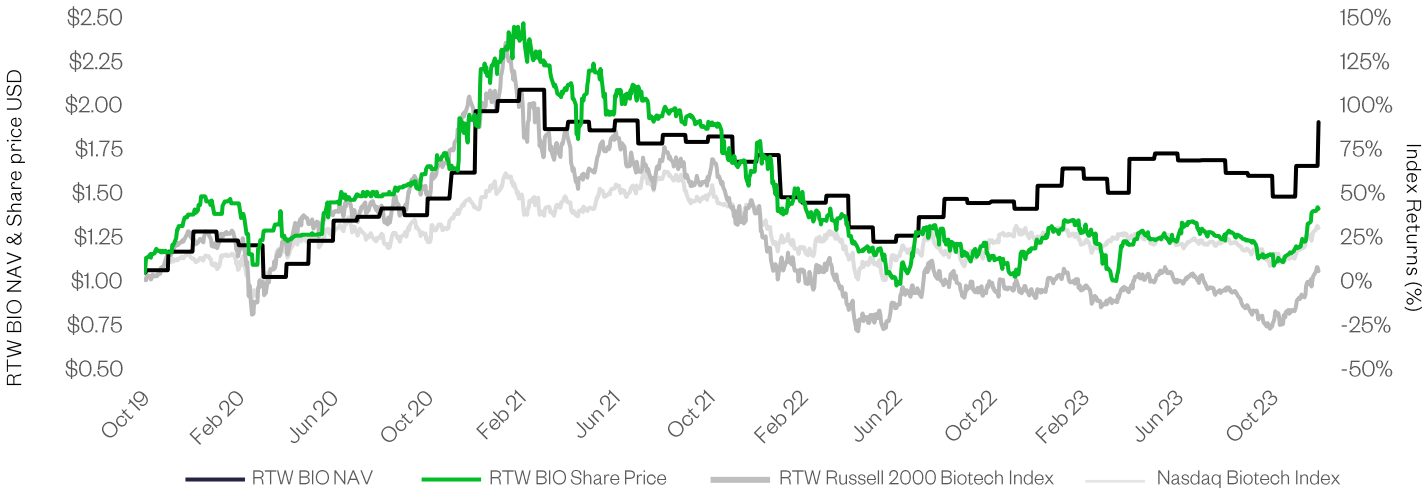
* The Company's admission to the London Stock Exchange
** RGUSHSBT = Russell 2000 Biotech Index; NBI = Nasdaq Biotechnology Index

PERFORMANCE CHARACTERISTICS

	MTD	1Y	3YRS	*Since 30.10.19
RTW NAV per ordinary share	15.0%	23.5%	-3.3%	82.3%
RTW share price	17.9%	16.0%	-25.4%	34.9%
Russell 2000 Biotech Index	22.9%	10.6%	-44.4%	4.8%
Nasdaq Biotech Index (NBI)	12.8%	3.7%	-8.2%	29.4%
NAV volatility		26.6%	23.6%	26.4%
NAV beta***		0.7x	0.6x	0.7x

***Benchmark used is the Russell 2000 Biotech Index
PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

RTW BIO PERFORMANCE — NAV PER ORDINARY SHARE, SHARE PRICE, RGUSHSBT & NBI



Top 10 Core* Positions	Description	% NAV	Public/ Private	Clinical Stage[1]	Proximate Catalysts[1]
rocket pharma	Gene therapy platform company for rare paediatric diseases. Five clinical programmes for Fanconi anaemia, Danon, LAD, PKD and IMO	17.9%	Public: "RCKT"	Phase 2	BLA Filing Q1 2024
JIXING	RTW incubated company focused on acquiring rights from innovative therapies for development and commercialisation in China	7.9%	Private	Phase 3	Series D second close Q1 2024
IMMUNOCORE	T-cell receptor therapy company focused on oncology and infectious diseases	7.4%	Public: "IMCR"	Commercial	PRAME data in Q2
rtw Royalty Fund	RTW created private fund aimed at generating returns from rights to royalty stream distributions from biopharma & medtech life sciences companies.	6.1%	Private	N/A	NDA mid 2024
CARGO THERAPEUTICS	Biotech company developing next-gen CAR T-cell therapies for cancer	4.0%	Public "CRGX"	Phase 1	Ph 2 data in 2025
rtw Royalty 2	RTW-Urogen royalty deal based on revenues of both Jelmyto and UGN-102	3.7%	Private	N/A	Quarterly sales updates
Orchestra	Medical device company focused on developing products for the treatment of coronary artery disease and hypertension	2.1%	Public: "OBIO"	Pivotal	-
Milestone PHARMACEUTICALS	Late-stage clinical company developing interventions for PSVT	2.0%	Public: "MIST"	Registrational	NDA mid 2024
APOGEE THERAPEUTICS	Early-stage biotech company that IPO-ed in the current month, advancing therapies for immunological and inflammatory disorders	1.8%	Public "APGE"	Phase 1	Data updates H1 2024
Beta Bionics A Massachusetts Public Benefit Corporation	Closed-loop pancreatic system for automated and autonomous delivery of insulin	1.7%	Private	Pivotal	Aiming for late 2024 IPO

[2] Includes shares held in the initial SPAC vehicle that merged with Orchestra in January 2023

[1]Updated quarterly

Sub-portfolio Exposures	As of month-end
Core Private*	17.6%
Core Public*	39.3%
Royalties*	9.8%
Other Public	20.4%
Cash & Other	12.9%

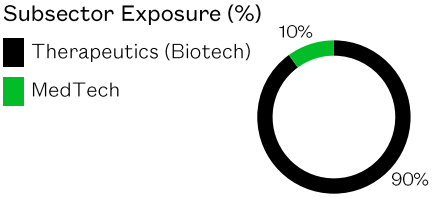
Top 3 Core* Contributors	YTD
Prometheus Biosciences	12.6%
Rocket Pharmaceuticals	8.4%
Cargo Therapeutics	2.0%

Sub-portfolio Attribution	MTD	YTD
Core Private*	1.0%	1.5%
Core Public*	10.8%	24.7%
Royalties*	0.0%	1.7%
Other Public	5.2%	-0.7%

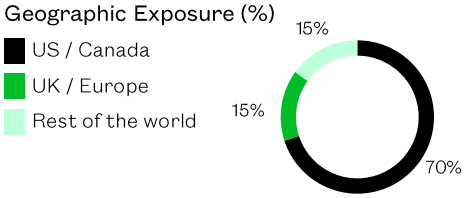
Top 3 Core* Detractors	YTD
Avidity Biosciences	-3.2%
Neurogastrx Inc.	-0.5%
Milestone Pharmaceuticals	-0.5%

Core Private & Core Public Exposures

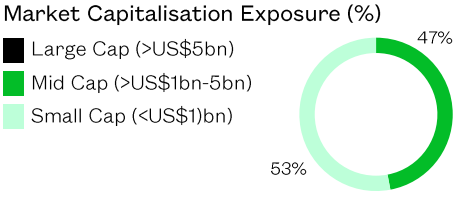
Subsector Exposure (%)



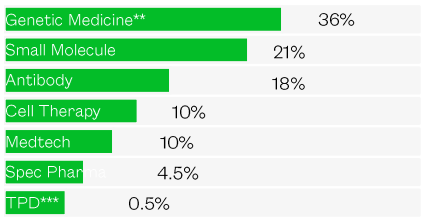
Geographic Exposure (%)



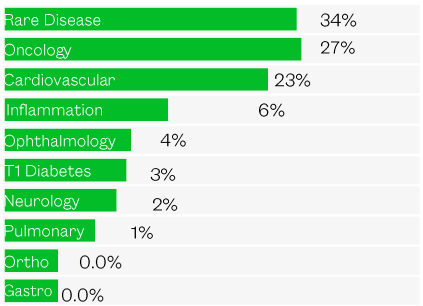
Market Capitalisation Exposure (%)



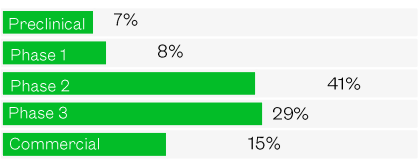
Exposure by Modality



Exposure by Disease Area



Exposure by Development Stage



*The Core Portfolio is privates and formerly privates, which are generally retained past IPO. "Other Public" is deployed into public equities that mirror holdings in the manager's private funds (in lieu of cash) for future deployment. **Includes gene and RNA therapies. ***TPD = targeted protein degradation. Exposures are calculated on the Core Portfolio, translated to a presentation out of 100%. Prior to 03/2023, exposures were based on number of holdings versus percentage of NAV.

rtw Biotech Opportunities

Fourth Quarter 2023

COMPANY UPDATE

On 1st November, the Company announced that the boards of RTW Bio and Arix Bioscience had agreed to the terms of a recommended all-share acquisition of Arix's assets by RTW Bio, to be affected through a scheme of reconstruction and the voluntary winding-up of Arix. The Scheme will enhance RTW Bio's position as a leading UK-listed life sciences fund by adding significant scale. Shareholders in the combined entity will be in a stronger position to benefit from potential future value creation through NAV growth, improved secondary market liquidity, and a re-rating uplift of the pro-forma company. The transaction required the publication of a new Prospectus, which is now available in the Documents section of the website. The Prospectus includes an expected deal timetable.

The Company hosted its inaugural Capital Markets Day on Tuesday 14th November. The event was well attended by investors with a great line-up of panelists including Sir John Bell and Lord Dominic Johnson, Minister for Investment. You can find replays of the various panels in the Content & Media section of the website.

Following the announcement earlier in the year of a capital allocation plan for the proceeds from Prometheus Biosciences' sale to Merck, the Company bought back 1,003,791 shares in the fourth quarter bringing the total shares bought back in the year and held in treasury to 1,753,791.

SECTOR UPDATE

The Russell 2000 Biotech Index and the Nasdaq Biotech Index returned +24.0% and +10.5% respectively in the fourth quarter bringing their full year returns to +10.6% and +3.7%.

The Federal Reserve's interest rate pivot and a flurry of takeouts helped the biotech sector avert a historic three down years in a row with a sharp rally in the last two months of the year. The sector's vigorous move off the bottom gives clues to how complacent shorts became. For the past year and a half, being short biotech has worked even in the face of strikingly low valuations, strong innovation, and accelerating M&A. Those caught off-side the last two weeks of the year have likely driven this early move. Capital flows are suggestive of what may be in store for 2024. Flows have been consistently negative all year, with total outflows the highest in three decades. Generalists have remained on the sidelines, but should the pivot hold, could return to the space.

At the same time, the list of investible assets has declined significantly. In the past year the acquisitions of Seagen, Horizon, Karuna, Prometheus, Immunogen, Cerevel, Reata, Televant, Iveric, Mirati, and Rayze have totaled over $150bn, which amounts to about a third of acquirable US market cap in the post-mega merger FTC era (i.e. companies with a market cap below $25bn). Investors will compete with large pharma companies for the sector's remaining marquee assets. While Pfizer and AbbVie have made significant progress on refilling their pipelines, Bristol and Merck must remain active or face existential patent cliff risk. Meanwhile, companies like J&J, Roche, and the obesity giants Lilly and Novo have over $200bn of unused capacity that is growing rapidly due to the transformation of obesity.

After two years of an IPO bear market, normalcy is likely to return. Per usual, this starts with the strongest companies. A couple from our portfolio could be among the first.

In 2022 the Inflation Reduction Act gave Medicare the ability to dictate drug prices it would accept for small molecules nine years post-launch. The drug industry has responded by shifting innovation away from pills for the elderly. This most notably impacts targeted oncology and cardiovascular disease. Of course, these remain the leading causes of death in developed societies, so it is important for our collective future health to support policy mitigations and litigation. A win in the courts in the coming year has the potential to improve the status quo.

Fortunately, new modalities, mostly not subject to government price setting until thirteen years, have the potential to take medical innovation to new heights. While less convenient and safe, cell therapy and novel antibody technologies have shown striking efficacy in multiple cancers. RNA medicines also have the ability to address some cardiovascular targets and have matured enough to offer placebo-like safety profiles.

In total, the FDA approved 61 novel drugs, the highest in history. Drugs from new modalities represented 14, one more than last year. We continue to expect more new highs to be set in the coming years.

PORTFOLIO UPDATE

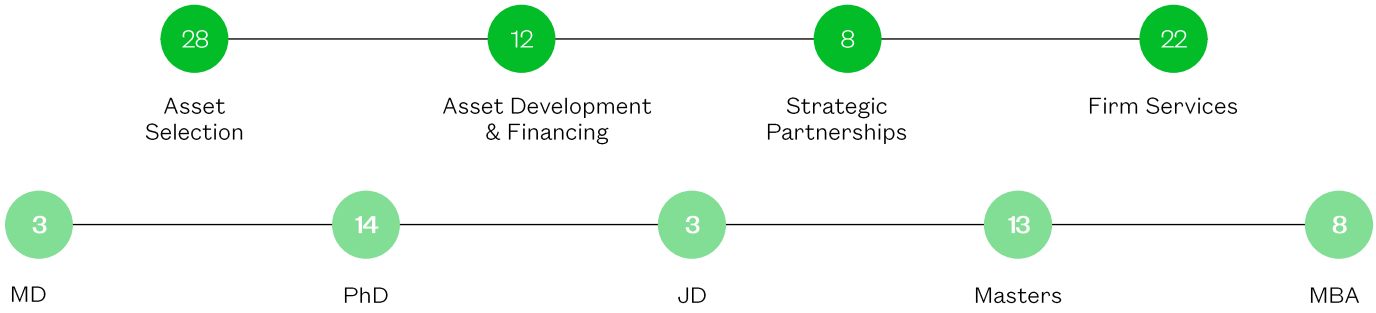
RTW Bio's NAV returned +19.1% in the fourth quarter and +23.5% for the full year.

Rocket, Immunocore and Cargo were the largest contributors in the quarter. Rocket announced the FDA's acceptance of its Biologics License Application with Priority Review for the treatment of severe LAD-I. They also announced that they had reached an agreement with the FDA on the Phase 2 pivotal study design for PKD to support accelerated approval. Immunocore announced plans for a label expansion for Kimmtrak. Cargo Therapeutics, a clinical stage biotech company developing potential curative cell therapies for cancer patients, successfully debuted on Nasdaq in November raising $281m. The shares subsequently rallied from an offering price of $15 to finish the year at $23.15. It was the fourth RTW Bio portfolio company to IPO in an otherwise very quiet market.

Milestone Pharmaceuticals was the only material detractor in the quarter. The company received a refusal letter from the FDA to file for a New Drug Application for Etripamil for the treatment of Paroxysmal Supraventricular Tachycardia (PSVT). Etripamil is a first-of-its kind portable and fast-acting nasal spray that would allow patients with episodic cardiovascular conditions to actively self-manage their condition outside of the hospital setting. The FDA determined that the NDA submitted in October 2023 was not sufficiently complete to permit substantive review. The FDA requested clarification about the time of data recorded for adverse events in Phase 3 clinical trials and did not express concerns about the nature or severity of adverse events. Milestone will seek clarification and is in the process of planning a meeting with the FDA.

RTW INVESTMENTS, LP TEAM

70 Professionals, including



Key RTW personnel for RTW Biotech Opportunities Ltd:

Roderick Wong, MD, Portfolio Manager; Naveen Yalamanchi, MD, Portfolio Manager; Stephanie Sirota, Chief Business Officer; Woody Stileman, Managing Director, Business Development; Krisha McCune, Director, Investor Relations

RTW Biotech Opportunities Ltd Board of Directors:

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

FUND INFORMATION

Structure: Closed-End Investment Fund
Domicile: Guernsey
Listing: London Stock Exchange
Launch date: 30 October 2019
SEDOL: BKTRRM2
ISIN: GG00BKTRRM22
TIDMs: RTW (USD) RTWG (GBP)
Currencies: USD and GBP
Restrictions: <15% of gross assets will be invested in other listed investment funds

Financial Year End: 31 December
Interim end: 30 June
Dividend policy: To be reinvested
Management fee: 1.25%
Performance fee: 20% with 8.0% hurdle
Ongoing Charges Ratio: 1.9%
Investment Manager: RTW Investments, LP
Corporate Brokers: Numis, BofA
Financial PR: Buchanan Communications
Distribution Partner: Cadarn Capital

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RTW contact: Krisha McCune
RTW number: +1 646 593 7998
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BofA contact: Edward Peel
BofA number: +44 20 7628 1000
Cadarn contact: David Harris
Cadarn number: +44 7368 883211

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