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14 April 2025

RTW Biotech Opportunities Ltd Monthly Valuation Update and Factsheet

RTW Biotech Opportunities Ltd (the "Company") announces that its monthly factsheet as at 31 March 2025 is now available at <https://www.rtwfunds.com/rtw-biotech-opportunities-ltd/factsheets-letters/>.

The Company's unaudited net asset value attributable to its ordinary shares as at 31 March 2025 was US 1.69 per ordinary share, a decrease of -5.5% from the previous month. This outperformed the Russell 2000 Biotech Index (-10.2%) and the Nasdaq Biotech Index (-6.1%). The Company has delivered +9.2% annualised NAV performance since launch in October 2019.

Top Core Positions

Holding	Public / Private	% NAV
Corxcel	Private	9.8%
Avidity	Public "RNA"	9.7%
Akero	Public "AKRO"	9.3%
Tarsus	Public "TARS"	5.8%
Artios	Private	5.3%
Kailera	Private	3.7%
Immunocore	Public "IMCR"	3.1%
Rocket	Public "RCKT"	2.9%
Ensoma	Private	2.8%
RTW Royalty	Private	2.1%

Top YTD Core Contributors and Detractors

Holding	% NAV	Return	Contribution
Akero	9.3%	+45.5%	+2.3%
Avidity	9.7%	+1.5%	+0.2%
Urogen	0.5%	+3.8%	+0.1%
Rocket	2.9%	(46.9%)	(2.5%)
Cargo	0.4%	(71.8%)	(1.1%)
Tarsus	5.8%	(7.2%)	(0.6%)

Note: % NAV as at period end.

Sector Quarterly Update

After quarter end, Trump's initiation of a global trade war precipitated a further dramatic equity sell-off. Biotech and development stage companies in particular were hit hard and valuations are setting new lows:

- The Russell 2000 Biotech Index is now ~5% from bear market lows, a level tested several times since it was first reached in 2017.
- Small and mid-cap company EV/cash ratios are at the lowest point in the past six years.
The proportion of companies trading below cash has returned to 2023 highs.
- The NBI price/sales ratio has returned to 5x, just above the levels seen in the GFC.

Before "Liberation Day", the FDA's Biologics division head, Peter Marks, resigned. He and RFK Jr were likely simply too far apart on their views on vaccines. We think structural changes, e.g. consolidating teams, are also on the table. Despite that, we are cautiously optimistic drug review processes will be relatively insulated and that the FDA will maintain a flexible, pro-innovation stance; indeed, this flexibility could well increase in the spirit of deregulation.

More broadly, we understand that Trump views lower drug prices in other countries as free riding, doesn't like

offshore patent boxes that avoid US tax, and wants to reshore drug manufacturing. Drug price changes have the potential to be positive or negative depending on the solutions ultimately pursued.

In response to the changing political environment, RTW has created a new Government Affairs team. Comprising senior partners of RTW, it aims to gain a better understanding of healthcare-related priorities and initiatives from the Trump administration.

The biopharma ecosystem is evolving in other important ways. Technological improvements are translating into a better functioning US commercial marketplace. Vendors providing patient apps and outsourced reimbursement management services are counteracting access barriers put in place by insurance companies in the previous decade. Furthermore, the new FTC chair is perceived as being more M&A friendly, which should lead to a greater number of bigger transactions, benefiting the small and midcap biotechs RTW Bio is invested in. Taken together, these represent a considerable positive.

Pharma deals for early-stage Chinese assets continued in the first quarter. While this pace is likely to slow, China is here to stay and the US will have to adapt its regulatory and operational speed in translational development in order to compete. We saw the beginnings of this on 8 April, when the [US National Security Commission on Emerging Biotechnology urged action](#) to protect US national security, based on six pillars:

1. Prioritise biotechnology at the national level
2. Mobilise the private sector to get U.S. products to scale
3. Maximise the benefits of biotechnology for defence
4. Out-innovate our strategic competitors
5. Build the biotechnology workforce of the future
6. Mobilise the collective strengths of our allies and partners

While we are clearly in a period of high uncertainty, both for our sector and policy overall, we think that valuations are unwarranted and think this presents a significant opportunity to deploy capital.

Portfolio Quarterly Update

We are in the process of quantifying the impact of potential tariff risk and "most favoured nation" drug pricing risk across our investments. We believe our portfolio companies are relatively well-insulated from tariff and policy uncertainties. Longer term structural trends have led us to favour companies that serve their local markets, particularly those focused on the US.

Over 90% of our development stage companies are focused on high unmet need diseases and, within this, we favour areas that have the greatest FDA and patient support (e.g. rare, CNS, genetic). We have been in close contact with all these companies following the announcement of FDA layoffs and none has indicated any issues with their FDA review teams.

Key contributors and detractors included:

- Akero was the key material contributor after a positive Phase 2 trial in the most severe subset of MASH patients, who have no approved therapies and therefore represent an urgent unmet need.
- On the other side of the ledger, Cargo stopped its cell therapy pivotal trial early due to failure to replicate Phase 1 efficacy and life-threatening safety events.
- There was no material news specific to Rocket or Tarsus.

Existing portfolio investments reported several noteworthy events in the quarter:

- Corxel Pharmaceuticals, a global cardiometabolic company, received a dividend distribution related to the proceeds of the sale of Aficamten to Sanofi.
- Another of our obesity companies, Kailera, announced positive topline data from its licensing partner for HRS953, a potentially best-in-class treatment for obesity and related conditions.
- Beta Bionics completed an upsized IPO.
- GH Research reported unprecedented data from a Phase 2b clinical trial with GH001, a product for treatment-resistant depression ("TRD"). GH subsequently completed an IPO raising 140 million. Our latest podcast, [Changing Minds: Psychedelics as Legitimate Medicine](#), focuses on the psychedelic space.

RTW Bio announced several new investments, including:

- [Alesta Therapeutics](#) (Series A) is a Netherlands-based biotech committed to developing novel oral small molecule therapies for underserved rare diseases.
- [Numab Therapeutics](#) (Series C) is a Swiss-based clinical stage biotech advancing a pipeline of multi-specific antibodies in immunology and oncology.
- [Umoja Biopharma](#) (Series C) is a clinical-stage biotech aiming to develop in vivo cell therapies that improve certain CAR T cell therapies.
- [Windward Bio](#) (Series A) is a Swiss-based clinical-stage drug development company focused on people living with advanced immunological diseases.

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About RTW Biotech Opportunities Ltd:

RTW Biotech Opportunities Ltd (LSE: RTW) is an investment fund focused on identifying transformative assets with high growth potential across the biopharmaceutical and medical technology sectors. Driven by a long-term approach to support innovative businesses, RTW Biotech Opportunities Ltd invests in companies developing next-generation therapies and technologies that can significantly improve patients' lives. RTW Biotech Opportunities Ltd is managed by RTW Investments, LP, a leading healthcare-focused entrepreneurial investment firm with deep scientific expertise and a strong track record of supporting companies developing life-changing therapies.

Visit the website at www.rtwfunds.com/rtw-biotech-opportunities-ltd for more information.

The information in this announcement may include forward-looking statements, which are based on the current expectations and projections about future events, and in certain cases can be identified by the use of terms such as "may", "will", "should", "expect", "anticipate", "project", "estimate", "intend", "continue", "target", "believe" (or the negatives thereon) or other variations thereon or comparable terminology. These forward-looking statements, as well as those included in any related materials, are subject to risks, uncertainties and assumptions about the Company and/or its underlying investments, including, among other things, the development of the applicable entity's business, trends in its operating industry, expected use of financing proceeds and future capital expenditures and acquisitions. In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur.

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