Platinum International Health Sciences Fund

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Overview

- Thanks to improved clarity around regulation and tariffs, the biotech sector recovered sharply at the end of the quarter. This clarity is not just good news for investors. It helps management make better decisions and deploy capital more effectively.
- A US rate cut, increased M&A activity, some good clinical data and stretched valuations in the tech sector mean generalist investors are again showing interest in the biotech space.

Performance

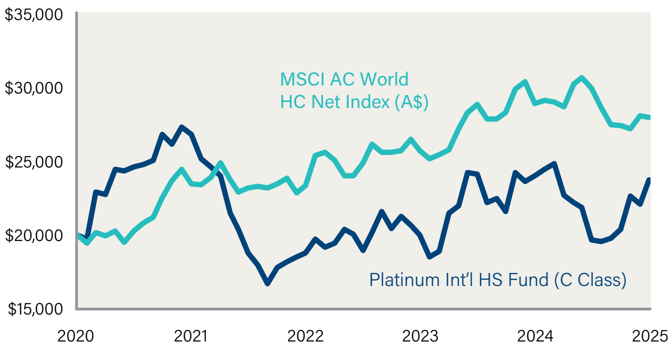
compound p.a.+, to 30 September 2025

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Int'l HS Fund*	17%	-1%	8%	3%	9%
MSCI AC World HC Index^	2%	-3%	6%	7%	9%

+ Excludes quarterly returns.
* C Class – standard fee option. Inception date: 10 November 2003.
After fees and costs, before tax, and assuming reinvestment of distributions.
^ Index returns are those of the MSCI All Country World Health Care Net Index in AUD. Source: Platinum Investment Management Limited, FactSet Research Systems.
Historical performance is not a reliable indicator of future performance.
See note 1, page 5. Numerical figures have been subject to rounding.

Value of $20,000 invested over five years

30 September 2020 to 30 September 2025

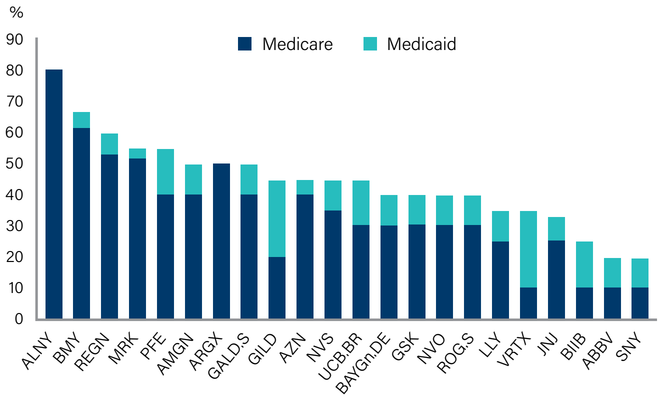


After fees and costs, before tax, and assuming reinvestment of distributions.
Historical performance is not a reliable indicator of future performance.
Source: Platinum Investment Management Limited, FactSet Research Systems.
See notes 1 & 2, page 5.

An eventful quarter has come to a close, with the biotech sector recovering nicely. The year started out with many uncertainties for the broader healthcare sector, but inch by inch the clouds started to lift, particularly on the last day of the quarter. For transparency, performance for the year was negatively impacted by the downward valuation of the Funds' private holdings. The publicly listed holdings of the Fund advanced 5.3%.

Tariff and drug pricing dynamics in the US are now becoming clearer. Many companies have now announced significant manufacturing expansion in the US (U$200b+) and Most Favoured Nation (MFN) pricing appears more benign than feared, given it will be isolated to Medicaid (see the chart below exploring various pharma companies Medicaid/Medicare exposure).

US and EU LC Biopharma: Government Endmarket Exposure



Source: Company data, Goldman Sachs Global Investment Research

Combine that added sector clarity with a rate cut, M&A activity, good clinical data and stretched valuations in the tech sector and you get generalists starting to show some interest in the biotech space again.

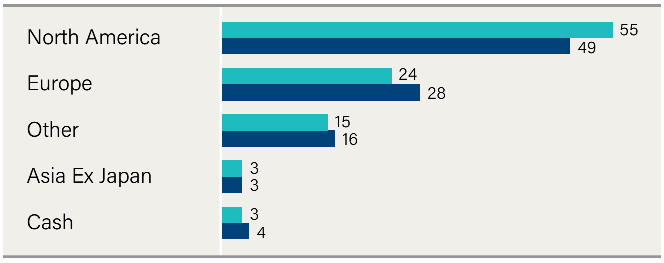
Performance for the quarter was driven by our biotech investments, while pharma investments had a mixed quarter (albeit charging back on the first day of Q4). **Johnson & Johnson** (up 18% over the quarter) had a solid performance as its pharma division continues to progress nicely while **Sanofi** continues to struggle with its pipeline. The company was down 5% over the quarter.

Our Australian holding **Syntara** disappointed, suffered a significant markdown following feedback from the FDA that a Phase 2 trial is required. This was not totally unexpected as the clinical development journey to date did not include a control arm offering patients standard of care. The company should have prepared investors for this possible outcome but overall, it is a delay, not a termination. Potential partners will welcome clarity over the development path from here.

Centessa, our orexin agonist (sleep disorder treatment) investment, had a solid quarter given data from competitive assets was good but not outstanding and thus confirming Centessa's commercial potential. **Arrowhead Pharmaceuticals**, our RNAi investment, is finally coming into its own, entering a number of partnerships as well as getting closer to commercialisation of plozasiran for familial chylomicronemia syndrome (FCS). FCS is a disorder which affects the body's ability to break down triglycerides.

Merus, one of our multispecific antibody holdings, was acquired for $8b ($97/share) by Genmab. Genmab will gain access to a late-stage cancer antibody which should assist in offsetting the patent expiry of daratumab, its anti-cancer monoclonal antibody medication.

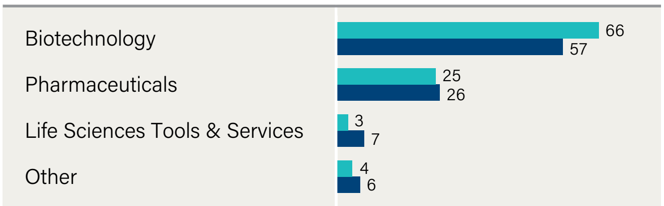
Disposition of Assets %



30 SEP 2025 30 JUN 2025

See note 3, page 5. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Net Sector Exposures %



30 SEP 2025 30 JUN 2025

See note 4, page 5. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
SpeeDx Pty Ltd	Australia	Health Care	4.3%
Imricor Medical Systems Inc	US	Health Care	4.2%
Roche Holding AG	US	Health Care	3.8%
Vera Therapeutics Inc	US	Health Care	3.4%
ADC Therapeutics SA	Switzerland	Health Care	3.4%
Amplia Therapeutics Ltd	New Zealand	Health Care	3.4%
Ideaya Biosciences Inc	US	Health Care	3.3%
Centessa Pharmaceuticals PLC	US	Health Care	3.3%
BeOne Medicines Ltd	China	Health Care	3.1%
Arrowhead Pharmaceuticals Inc	US	Health Care	2.8%

As at 30 September 2025. See note 5, page 5.
Source: Platinum Investment Management Limited.

Gossamer has also been a strong performer as we are nearing the readout of seralutinib in pulmonary arterial hypertension.

There were a number of solid performers due to commercial progress (**Oxford Biomedica**), clinical data releases or expectations (**MBX Biosciences**, **Arcus**) and potential M&A attraction (**ADC Therapeutics**). All these companies were up 50% or more for the quarter.

Commentary – the rise of European biotech

A lot has been written recently about Chinese biotech companies becoming the supplier of pipeline assets for biopharma companies and for newly founded US biotech companies.

Chinese licensing deals have been increasing and it is clear that any biotech or pharma needs to be acutely aware what is going on in China in terms of competitive intelligence. However, what does not get enough airtime is the gradual rise of European biotech companies. The acquisition of Dutch biotech Merus by Danish Genmab illustrates this trend. It's a clear win for Utrecht in Holland given the R&D footprint of both companies in the town.

Genmab is a Copenhagen-headquartered, Danish/Dutch biotech company. It's a company we had successfully invested into in the past when things were a lot more challenging for the company.

Indeed, the history of Genmab is a great illustration of how challenging and multifaceted drug development is. There are dark days when management teams have to make difficult decisions. For Genmab it was divesting manufacturing and cutting itself loose from Medarex, the US biotech that spun out Genmab.

Management needed to focus and rebuild its team while out-licensing one of its assets to Johnson and Johnson. This particular asset, a CD38 antibody, was in development for treatments for multiple myeloma (blood cancer) but was mostly off competitors' and investors' radar screens given the success of Celgene's competing Revlimid.

Developing assets in multiple myeloma takes great clinical development expertise, something Johnson and Johnson added and, in the end, allowed for the phenomenal success of what is now called daratumamab – a U$13b per annum drug. At the time we researched multiple myeloma and the potential of a new mechanism of action therapy. We also reached out to Jan van de Winkel (co-founder and CEO since 2010) to understand his plan to rebuild this antibody company.

Genmab has been smart in entering partnerships and over time the structure of those partnerships has been changing with Genmab retaining more commercial control. Recently, the company has evolved further and is thoughtfully building out its antibody moat with purchases such as Profound earlier this year and with Merus more recently.

Merus has been in our portfolio since its IPO in 2016 (at $10 a share). The attraction for us was the companies multiclonic technology given next generation antibodies were trending to be multitargeted and Merus had an edge in how to make them. As is always the case, development took longer than expected. Merus first bispecific antibody was recently approved for NRG1 fusion positive tumors. This is a small commercial opportunity.

It was the follow-on pipeline asset, petosemtamab, for head and neck cancer that really added value and allowed the company to raise significant amount of capital. Under Genmab's guidance, Merus should be able to exploit its technology further and further support the Dutch R&D base. This quarter the company's share price was up over 70%.

There are a number of very interesting antibody technology companies in Europe. **Scancell**, a UK biotech the Fund is invested in, develops antibodies that target sugar moieties specific for cancer rather than the whole protein. In December last year Genmab exercised its option to license one of the antibodies the companies had been working on together.

Tubulis, a Munich based biotech, is developing next generation ADCs and recently raised US$300 million in new financing. This is a private company we are keeping an eye on. Tubulis has alliances and a clinical stage pipeline.

In short, China may be the country that draws the biggest headlines, but Europe – and maybe one day Australia – should still be able to compete given capital, research strength and good management.

Outlook

In the therapeutic sector the dynamics are shifting on many levels. We are finally gaining clarity on a drug pricing framework in the US which should give generalist investors comfort. More importantly, company management teams are now in a better position to understand their future cashflow and hence will be in a better position to deploy their capital. We are seeing funding return to the biotech sector and the next step is additional listings. There are key clinical data points coming up for some of our investments and we expect further M&A activity given a better understanding of the pricing environment.

Notes

Unless otherwise specified, all references to "Platinum" in this report are references to Platinum Investment Management Limited (ABN 25 063 565 006, AFSL 221935).

Some numerical figures in this publication have been subject to rounding adjustments. References to individual stock or index performance are in local currency terms, unless otherwise specified.

1. Fund returns are calculated by Platinum using the net asset value unit price (i.e. excluding the buy/sell spread) of the stated unit class and represent the combined income and capital returns over the specified period. Fund returns are net of fees and costs, pre-tax, and assume the reinvestment of distributions. The MSCI index returns are in AUD, are inclusive of net official dividends, but do not reflect fees or expenses. MSCI index returns are sourced from FactSet Research Systems. Platinum does not invest by reference to the weightings of the specified MSCI index. As a result, the Fund's holdings may vary considerably to the make-up of the specified MSCI index. MSCI index returns are provided as a reference only. The investment returns shown are historical and no warranty is given for future performance. Historical performance is not a reliable indicator of future performance. Due to the volatility in the Fund's underlying assets and other risk factors associated with investing, investment returns can be negative, particularly in the short term.
2. The investment returns depicted in the graph are cumulative on A$20,000 invested in C Class (standard fee option) of the Fund over the specified period relative to the specified MSCI index in AUD.
3. The geographic disposition of assets (i.e. other than "cash" and "shorts") shows the Fund's exposures to the relevant countries/regions through its long securities positions and long securities/index derivative positions, as a percentage of its portfolio market value. Country classifications for securities reflect Bloomberg's "country of risk" designations. "Shorts" show the Fund's exposure to its short securities positions and short securities/index derivative positions, as a percentage of its portfolio market value. "Cash" in this table includes cash at bank, cash payables and receivables and cash exposures through derivative transactions.
4. The table shows the Fund's net exposures to the relevant sectors through its long and short securities positions and long and short securities/index derivative positions, as a percentage of its portfolio market value. Index positions (whether through ETFs or derivatives) are only included under the relevant sector if they are sector specific, otherwise they are included under "Other".
5. The table shows the Fund's top ten positions as a percentage of its portfolio market value taking into account its long securities positions and long securities derivative positions.

Disclaimers

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