Platinum International Health Sciences Fund

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Overview

- While the Middle East war volatility affected all markets, the general outlook for biotech remains solid with M&A activity upbeat, large pharma companies looking for new assets and plenty of innovation.
- Over the Quarter two of our key holdings, **Terns Pharmaceuticals** and **Centessa**, were bought out by large pharma companies, delivering healthy returns for Fund unitholders.
- **Apogee Therapeutics**, a company we have held since its IPO, continues to look promising. The company's key asset is meeting all clinical expectations; it has a large addressable market and is well managed. Apogee also has further assets in development.

Performance

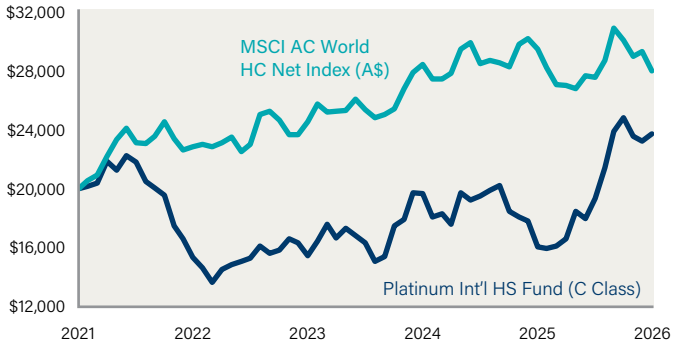
compound p.a.+, to 31 March 2026

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Int'l HS Fund*	-4%	48%	15%	3%	10%
MSCI AC World HC Index^	-7%	-5%	4%	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

31 March 2021 to 31 March 2026



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.

This quarter was marked by the fallout from the war in the Middle East and worries about rising inflation that dampened the biotech recovery – for now.

Last year several of the Fund's investments reported great clinical progress and subsequently raised capital. We refrained from participating in many of these equity raises as valuations had gotten ahead of themselves. This quarter there has been a valuation reset for some of those companies, which provided an opportunity to add to positions such as **Structure Therapeutics**.

Good stock picking and a supportive backdrop

Over the past year the performance of the Fund has been exceptionally strong. Our stock picking has been supported by a backdrop of strong innovation in the biotech industry along with solid financing activity. We have also benefited from the activity of large biopharma companies looking for external assets.

During the quarter Merck announced its intention to acquire **Terns Pharmaceuticals** (we discussed Terns in the previous Platinum Quarterly). Meanwhile Eli Lilly is buying another Fund holding, **Centessa** (an orexin agonist for sleep disorders). Both investments have been stellar performers for the Fund given our investments were made at valuations close to the cash on the balance sheet. Over the past quarter alone, Terns was up more than 30% and Centessa more than 50%.

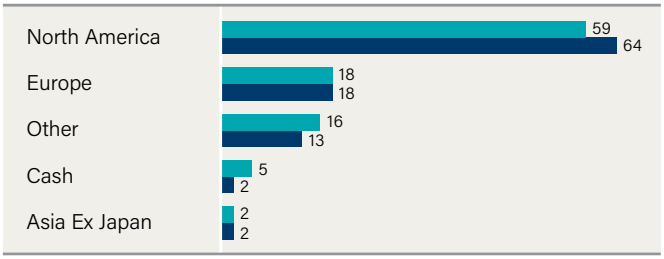
Amplia announced a positive central review of its pancreatic cancer trial testing narmafotinib in combination with Abraxane and gemcitabine. We have mentioned in a previous quarterly report, Amplia's narmafotinib should be trialed in combination with ras inhibitors to explore its full potential. This is even more pressing now, given narmafotinib, in combination with mFOLFRINOX, had to be paused due to toxicity issue with this respective chemotherapy regime (this news was announced after quarter end).

On the opposite end of the spectrum, **Gossamer** announced disappointing data for seralutinib in PAH. The placebo response of the trial was elevated, making for a challenging setup, while patients with severe disease showed solid benefit when taking seralutinib. The dataset overall is challenging and makes the approval and commercial development of the drug more difficult. We divested our position.

Zealand Pharma and **Wave Life Sciences** also saw their shares sell off as data for their next generation obesity assets failed to meet expectations. The devil, however, is in the detail for both datasets, and we continue to see potential. As a result we acquired more shares in both companies.

During the quarter we added several new investments, including **Palisade Biosciences** and **C4 Therapeutics**. These are two companies reminiscent of Terns and Centessa. They have attractive valuations, a pipeline of potential assets – and a current lack of investor interest.

Disposition of Assets %



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

Net Sector Exposures %

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

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
Imricor Medical Systems Inc	US	Health Care	5.7%
SpeeDx Pty Ltd	Australia	Health Care	5.1%
Amplia Therapeutics Ltd	Australia	Health Care	4.8%
Terns Pharmaceuticals Inc	US	Health Care	4.3%
Centessa Pharmaceuticals PLC	US	Health Care	4.0%
Apogee Therapeutics Inc	US	Health Care	3.6%
Vera Therapeutics Inc	US	Health Care	3.4%
Immunovant Inc	US	Health Care	3.3%
Cogent Biosciences Inc	US	Health Care	3.2%
Arrowhead Pharmaceuticals Inc	US	Health Care	3.0%

As at 31 March 2026. See note 5, page 5.
Source: Platinum Investment Management Limited.

Commentary – reaching its Apogee?

Apogee Therapeutics is a US biotech aiming to challenge Sanofi/Regeneron's Dupilumab (Dupixent). Dupixent had sales of US$17.8b in 2025 across several inflammatory disease indications including Atopic Dermatitis (AD).

Apogee has been in the Fund since it became a publicly listed company in July 2023 at US$17 a share. The proposition of the company was straight forward: develop antibodies that target a well validated mechanism of action but allow for less frequent dosing via modification of the Fc region, thus extending the antibodies' serum half-life from every 2-3 months up to a possible six months.

As an investor, one always wonders if this is simply *too* straight forward; too good to be true. Why would Sanofi or Regeneron not have thought of this approach as a life cycle management strategy for Dupi?

On the same day we met Apogee management for the first time as part of a TTW meeting we also had a meeting with Sanofi.[1] Interestingly, Sanofi dismissed a long acting Dupixent as commercially not relevant. As a long-standing investor in the world of drug development, I have learned that when large companies straight out dismiss a biotech's competing approach, the large company has usually not done their homework.

The better approach is to talk about the competing data – even if it is early. This at least shows they are aware of competing datasets. This made me dig into the preclinical data for APG777 (today known as Zumilokibart) and ask industry contacts what their thoughts were on a long-acting Dupi. The concept of long-acting antibodies reducing the injection burden for patients always resonated with me.

The preclinical pharmacokinetic data suggested that Apogee's approach had legs, while the clinical development plan and timeline also suggested rapid development. A clinical trial in healthy volunteers was to start in the second half of 2023 (in Australia!) with data due in mid-2024 designed to answer if the long-acting thesis held true in humans. That would be the first tick, with efficacy in AD patients' data to follow from 2025.

My worries at the time were twofold. First, how best to manage the placebo effect in trials. With dermatological conditions, it's important to ensure patients have the relevant condition, otherwise placebos appear more effective than they are.

1 TTW = Testing the Waters. These meetings happen prior to an IPO to help build a book for the stock and work out valuations.

Through conversations with the Apogee team and key opinion leaders in this space the placebo worries were put in context. I saw that Apogee was controlling placebo risk by stringent recruitment control to make sure patients did indeed have Atopic Dermatitis.

The other main issue was the competitive landscape (including oral therapies). I always worry about the competition for any company.

The company's IPO valuation was reasonable. The Apogee team was levelheaded and there were serious investors backing the company. There was also a pipeline being put together behind the lead asset, suggesting Apogee could have a comprehensive set of assets in the coming years.

Soon after the IPO, the company announced the start of the Phase One healthy volunteer trial and Mark McKenna was appointed Chairman. Mark was known to us through our investment in Prometheus Biosciences (a successful IPO investment we made in March 2021). Mark has a great commercial and operational mind. With the data we had – and with Mark on board – we were convinced of the opportunity Apogee had in front of it.

Since the IPO, Apogee has made great progress. First by confirming less frequent dosing is effective given the solid serum levels over time. Most recently, positive data in AD patients was released showing deepening responses across various endpoints from week 16 to week 52 with 3-month and 6-month dosing intervals. This differentiates from Dupixent and could be a result of neutralizing almost all of IL-13. In addition, Zumi also demonstrates rapid itch relief, something that Dupi is less quick to do.

There is more data to come this year that should fine-tune the dosing regime and ultimately inform the Phase Three clinical trial. These trials are commercially relevant as they allow physicians to individualise treatment once approved.

So far the Zumi hypothesis is playing out for Apogee and as one broker put it, the company is on track to "give all current therapies a run for their money." Behind Zumi, there are other pipeline assets with optimised backbones as well as coformulations.

In summary, preclinical data piqued our interest, checks with industry experts helped frame the opportunity and the management team helped us understand their capabilities and plan. Over time the emerging clinical data strengthened our knowledge and the investment case. That's how it's supposed to work – but doesn't always!

Outlook

As we went to print, one of our holdings, **Ideaya**, released clinical data on their treatment for uveal melanoma (liver cancer). Another holding, **Revolution Medicine**, received an excellent data readout on its oral pancreatic cancer therapy, Daraxonrasib.

Obviously, the interest rate environment remains dynamic, however funding for biotech is still healthy and there is a lot of innovation.

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 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.

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