



# IP Group plc

A rare opportunity to own stakes in the UK's most innovative companies

## Focused venture investor with wave of exits ahead

3 August 2026

IP Group (IPG) is a venture investor, holding c. £0.9bn of investments on-balance-sheet, with c. £0.5bn of fee-earning 3<sup>rd</sup>-party AUM. Shareholders and fund investors own indirect stakes in some of the UK's most innovative companies, often built on scientific breakthroughs at top universities, where IPG has many, longstanding, hard-to-replicate partnerships.

There are limited options for private or smaller investors to invest in these companies. IPG solves that problem. Also, evaluating and tracking these investments needs deep specialist knowledge in many complex scientific and commercial fields. IPG solves that problem too.

### IPG portfolio should be attractive to investors

Its specialist fields are *HealthTech*, *DeepTech*, and *CleanTech*. It has backed Oxford Nanopore (DNA/RNA sequencing, now **LSE-listed**); Hinge Health (US digital care platform, now **NYSE-listed**), Featurespace (fraud-detection, **acquired by Visa**), and Monolith (AI solutions in engineering, **acquired by Coreweave**). It also owns the rights to royalties from some of Pfizer's next-gen anti-obesity drugs: this has the potential to return **far more than the assigned value of £128m** (p20).

The portfolio is of sufficient scale to regularly produce high-returning 'winners' (p8); it is mature enough to regularly generate far more cash than it deploys and return money to shareholders (p7); and **the portfolio looks conservatively valued**, with exits mostly concluded at significant premiums to NAV (p9). Many portfolio companies are maturing and **exits are ramping up**. The group realised £183m in 2024, £68m in 2025 with a further c. £180m targeted by end-2027.

### IPG shares have appealing characteristics, and our fair value is 106p

Group NAV on 31 Dec 25 was £975m or **110p per share**, incl. net cash of 8.5p. **Shares trade at a 43% discount to NAV**, which looks excessive, given most exits have been at a premium to NAV. Our valuation (p19), deducts the present value of net overheads (-18p) from NAV, and allows for an uplift (+14p) from post FY-end events and upcoming milestone events. This gives a **fundamental value of 106p** per share. **A series of exits at or above NAV could rapidly close this valuation gap.**

Further attractions: 1) Because shares have traded at a large discount to NAV, IPG has implemented significant share buybacks (p17). **In 2025, £46m was used to retire 9% of its share capital.** 2) **Growing 3<sup>rd</sup>-party AUM and fee income is a strategic priority** (p12). A new mandate recently signed with Aberdeen, alongside more institutional mandates being targeted, should boost AUM and fees. Strong fee growth means more expenses are covered by fees, with a further valuation boost.

#### Company Data

|                     |         |
|---------------------|---------|
| EPIC                | IPO.L   |
| Price (last close)  | 62.3p   |
| 52 weeks Hi/Lo      | 71p/49p |
| Market cap          | £550m   |
| ED Fair Value/share | 106p    |
| Avg. daily volume   | 2,622k  |

#### Share Price, p



Source: Investing.com

#### Description

IP Group was founded in 2001 and is listed on the main market of the LSE. It invests in companies underpinned by IP and scientific innovation, across HealthTech, DeepTech, CleanTech. Investments are sourced via partnerships with universities (incl. Oxford, Cambridge, Imperial & UCL), research institutions and other networks. The on-balance-sheet portfolio value is >£0.9bn, with >£0.5bn managed for 3<sup>rd</sup> parties. The portfolio has produced 4 unicorns and realised >£1.1bn.

#### Next event

H1-26 results Sep 2026

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#### Summary financials & forecasts

| Year end 31 Dec, £m                  | FY23A  | FY24A  | FY25A | FY26E | FY27E |
|--------------------------------------|--------|--------|-------|-------|-------|
| Net Asset Value (NAV)                | 1,190  | 953    | 975   | 988   | 1,056 |
| NAV per share (p)                    | 115    | 98     | 110   | 118   | 134   |
| Share price discount to NAV*         | (49%)  | (45%)  | (47%) |       |       |
| Cash invested during period          | (74)   | (63)   | (71)  | (70)  | (70)  |
| Cash proceeds during period          | 39     | 183    | 68    | 100   | 100   |
| Net portfolio profit/(loss)          | (161)  | (195)  | 64    | 60    | 115   |
| Third-party AUM                      | 469    | 678    | 557   | 520   | 626   |
| Fee & other income**                 | 5.9    | 5.5    | 7.4   | 6.9   | 8.3   |
| Group profit/(loss) after tax        | (174)  | (207)  | 67    | 43    | 98    |
| EPS, basic (p)                       | (16.5) | (20.0) | 7.2   | 5.0   | 12.1  |
| Share buybacks                       | 0      | 30     | 46    | 33    | 33    |
| Share buybacks (% of market cap) *** | 0.0%   | 5.6%   | 8.8%  | 6.6%  | 6.3%  |

Source: Company Historic Data. \*Based on market cap at end of period. \*\*Other income includes licensing & patent income.

\*\*\*Based on share/price/market cap at beginning of period. Forecasts in the original publication of this note contained an error in forecast finance costs, which were recorded as +£6.1m in FY26E and FY27E, instead of -£6.1m. The numbers affected by this have been corrected in this note. NB the error had no effect on our estimate of IPG's fair value.

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## IP Group at a glance

### History & key facts

- IP Group was founded in 2001 and was a pioneer in partnering with leading universities (including Oxford, Cambridge, Imperial College, and UCL) to spin out, invest in, and commercialise scientific research.
- It listed on the Main Market of the London Stock Exchange in 2003.
- The UK model has been replicated in Australia.
- It employs around 65 people (55 in the UK and 10 in Australia).
- Parkwalk Advisors is a UK subsidiary managing tax-advantaged Enterprise Investment Scheme (EIS) funds.
- The group\* has invested c. £1.7bn since inception (>£90m in 2025) into over 600 companies (58 in 2025).
- It is by far the UK's leading investor in the university spinout sector\*\*.

Source: Company. \*Including Parkwalk, \*\*Beauhurst: Equity investment into spinouts 2025.

### Portfolio management

- IP Group is not just an investor; it works hands-on with portfolio companies to maximise the chances and scale of success.
- Internally, it has deep technical, commercial, and business building expertise in its target areas which can be deployed to assist portfolio companies. It also has a network of advisors & partners to supplement this. It assists with:
  - Board and executive-management-level advice and counsel.
  - Financial strategy and additional capital raising.
  - Talent strategy and recruitment.
  - Mergers and acquisitions,
  - Exit strategy and execution.
- It often invests in multiple rounds alongside a network of co-investors (in 2025 portfolio companies raised £914m with IP Group contributing £70m).

Source: Company, ED

### Investment focus

- The group concentrates on investing in three specific technological areas:
  - *HealthTech* (preventing & curing disease rather than treating symptoms);
  - *DeepTech* (frontier innovations: applied AI, next-gen networks, human-machine interfaces, future compute);
  - *CleanTech* (addressing the climate challenge: renewable electricity, alternative fuels, transport, greenhouse gases, food & agriculture).
- Parkwalk mostly invests EIS fund capital in pre-seed, seed, & series A rounds.
- IP Group invests from early-stage through to larger Series B and C+ rounds, using permanent balance sheet capital. Some opportunities progress from the Parkwalk portfolio to the on-balance-sheet portfolio.
- Growing 3rd party AUM (and fee income) is a focus – this is ramping up with a new mandate from Aberdeen, won in 2026, and a strong pipeline.

Source: Company

### Track record & outlook

- The group has over £1.2bn of realisations (cumulative).
- It has created and backed four Unicorns (Ceres Power, Oxford Nanopore, Hinge Health and Featurespace).
- **Over the last six years, its portfolio has realised £723m in cash**, though a mix of IPO exits and trade sales.
- **It is targeting c. £180m of cash realisations in 2026 & 2027** (combined).
- Over the last five years, **£151m has been returned to shareholders** via dividends and share buybacks.
- 50% of 2025 realisations were committed to share buybacks with £46m of buybacks delivered (c. 9% of share capital) from £68m of realisations.
- It has **reiterated a commitment to share buybacks for 2026, with £30m funds accumulated for future shareholder returns**. With several exits already concluded and more in sight, buybacks should be significant.

Source: Company

## On-balance-sheet portfolio (direct investments)

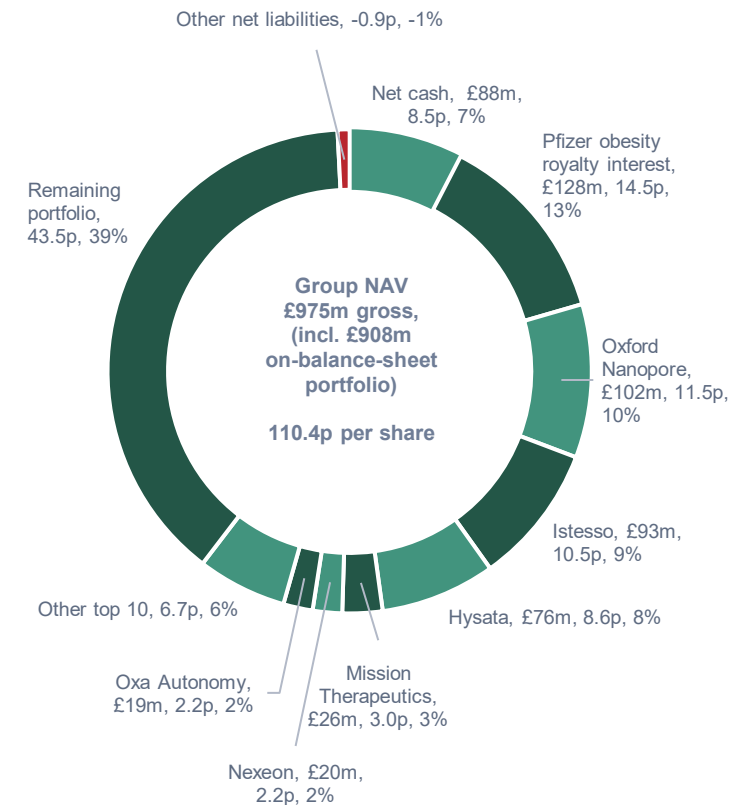
### Key characteristics: sufficient scale, strong cash generation, strong outlook

#### An at-scale venture portfolio generating cash with multiple exits in view

- The portfolio is valued at £908m and is made up of 76 holdings (31 Dec 25). A **key difference to a VC fund is IPG invests 'permanent capital'** with no fixed life (as is the norm with VC funds). IPG's exit decisions are therefore purely economic and do not have to be 'engineered' to accommodate a fixed-life fund.
- As is common in venture portfolios, **a large proportion of total portfolio valuation is made up by relatively few 'winners'**. The top 5 holdings make up 47% of portfolio NAV; the top 10, 58%; and the smallest 66, 42%.
- The portfolio is large enough to consistently generate cash from exits, but this cash flow is inherently 'lumpy' (p7) with large exits boosting cash generation in some years (e.g. 2021 generated £214m, 2024 £183m but 2022 and 2023 generated only £28m and £39m respectively). **Over the last six years, cash realisations total £723m and cash deployed totals £476m.**
- Portfolio-level NAV moves flow to IP Group's income statement and can also be volatile (p10), affected at a portfolio company level but also by general market conditions (e.g. when demand for VC investments is strong, funding round prices rise and lift valuations of companies that raised capital in that year. The opposite also happens i.e. weak demand depresses valuations).
- These points highlight the importance of portfolio scale, as offered by IP Group. **It backs a sufficient number of companies to generate enough winners** (in venture, some technologies and companies will inevitably fail). **An at-scale portfolio also generates cash consistently and provides diversification.**
- The portfolio is maturing, with a cash realisation target of £250m over '25-'27. It realised £68m in '25 with c. £180m expected over the next two years.

Source: Company

#### NAV breakdown (total value, p per share, and % of NAV)



Source: Company, as at 31 Dec 25

## ‘Big 4’ current investments

IP Group's largest four portfolio holdings by value make up 40% of portfolio value. These are summarized in more detail below. It is important to realise though that portfolio holdings with much smaller NAVs can suddenly jump in value and become significant holdings (e.g. on positive results from a clinical trial, a significant commercial contract win, or a jump in valuation during a funding round). A number of high potential ‘ones to watch’ are described on [p11](#).

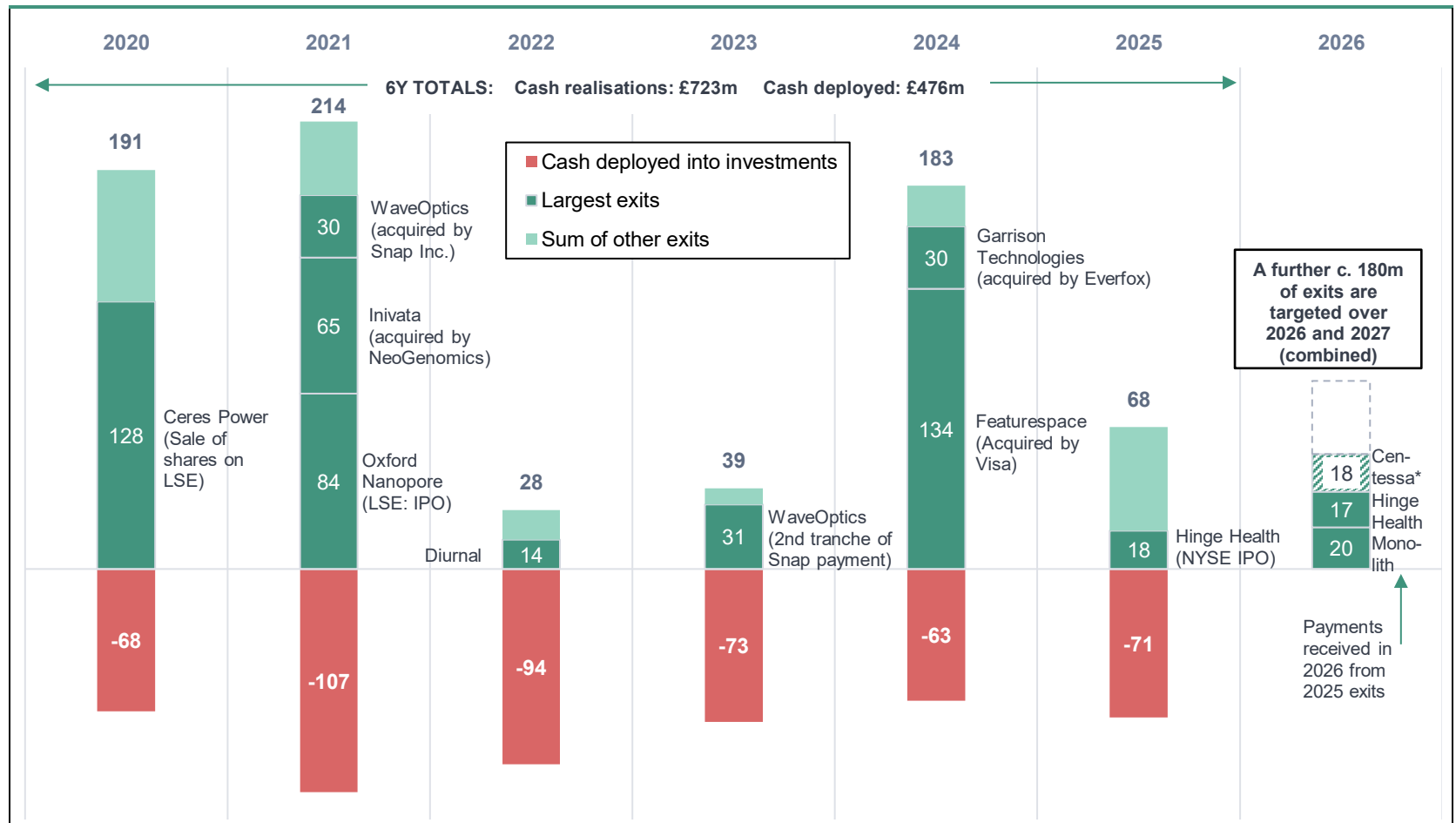
|                 | Pfizer royalty rights                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Oxford Nanopore                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Istesso                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Hysata                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Current value*  | £128m                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | £102m                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | £93m                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | £76m                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Description     | <p>Next-generation anti-obesity drugs, potentially improved efficacy with less-frequent (monthly) doses. IPG was an early investor in Zihipp, a 2012 spin out from Imperial College London. Zihipp was acquired by Metsera in 2023 which was acquired by Pfizer in 2025. IPG <b>maintained a share of royalty &amp; milestone income</b> through these transactions.</p> <p>The lead candidate Berobenatide is now in Phase III clinical trials and could launch in 2028 if successful. <b>Entering Phase III triggered IPG to assign a value to its rights</b> (see <a href="#">p20</a> for valuation – with more conservative assumptions than Pfizer).</p> | <p>Next-generation DNA/RNA sequencing technology – scalable, real-time biological analyses. IPG was a founder-investor in 2005 when Oxford Nanolabs (previous name) spun out of the University of Oxford.</p> <p><b>IPG invested £78m over time</b>, and started realising its investment in 2021, when Oxford Nanopore (ONT) listed on the London Stock Exchange. <b>IPG realised £84m</b> at that time.</p> <p>Since then, IPO has a <b>8% stake valued at £102m</b> on 31 Dec 25.</p> | <p>Drug discovery/development aimed at reprogramming metabolism to treat sarcopenia (age-related muscle loss). Initially IPG in-house drug discovery subsidiary, invested in series A, 2018.</p> <p>Lead drug Leramistat underwent a phase 2b clinical trial in 2025. Despite missing its primary trial endpoints, <b>the trial highlighted huge potential</b>, with data suggesting potential to repair the musculoskeletal system and have a muscle-protective effect - <b>potential treatments include sarcopenia, osteoporosis and osteosarcopenia</b> (both conditions). <a href="#">A phase 2 trial has now commenced</a> (Jun 26) to evaluate effects on patients with sarcopenia caused by rheumatoid arthritis.</p> | <p>Green hydrogen (used to decarbonise heavy industry) production using patented electrolyser technology. IPG was a founder investor in 2021 when Hysata spun out of the University of Wollongong (Australia).</p> <p>Its electrolyser technology <b>produces green hydrogen using far less power than previous methods</b>.</p> <p>In Feb 25, it signed an agreement with ACWA Power to operate commercial-scale high-efficiency electrolyser systems in Saudi Arabia. <b>In Jun 26, it reached a key milestone, signing its first MW-scale order with a global heavy-industry leader</b> (not yet named).</p> |
| Look out for... | <p>Results of Phase III trials for Berobenatide, and earlier trials of balance of portfolio. Trial success increases probability of commercialisation and holding value.</p> <p>It is also <b>possible that IPG receives an offer</b> to acquire its rights (this is an established market).</p> <p><a href="#">IP case study</a></p>                                                                                                                                                                                                                                                                                                                         | <p>Share price reaction as ONT approaches EBITDA-breakeven, targeted in FY27, and being cash-flow positive in FY28. IPG thinks ONT is undervalued and has said it will wait for a share price jump before selling.</p> <p>ONT could also be an <b>acquisition target</b> by a large pharma company.</p> <p><a href="#">ONT website</a> <a href="#">IPG case study</a></p>                                                                                                                | <p>Reaction to Istesso's presentation of preclinical data on the potential of Leramistat at the 9th World Congress on Aging and Geriatrics (Berlin, 16 Sep 26).</p> <p>This is a stage of clinical development which can attract large pharma companies as investors or partners.</p> <p><a href="#">Istesso website</a> <a href="#">IPG case study</a></p>                                                                                                                                                                                                                                                                                                                                                                  | <p>Further contract extensions in Saudi Arabia and new contract wins in the Gulf and around the world.</p> <p><a href="#">Hysata website</a> <a href="#">IPG case study</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                 |

Source: Company. \*Of IPG share as at 31 Dec 25..

## Strong (but lumpy) cash generation comfortably exceeds cash deployed

The portfolio is large enough to consistently generate cash from exits. But a feature of this type of portfolio is that cash realisations are often dominated by a few large 'winners'. This makes cash generation inherently lumpy. However, over a multi-year period, cash generation is comfortably exceeding cash deployment – allowing for continued investment into the portfolio to preserve future returns, and for capital returns to shareholders through dividends and share buybacks.

Total exits and investments last five years, plus largest individual exits, £m

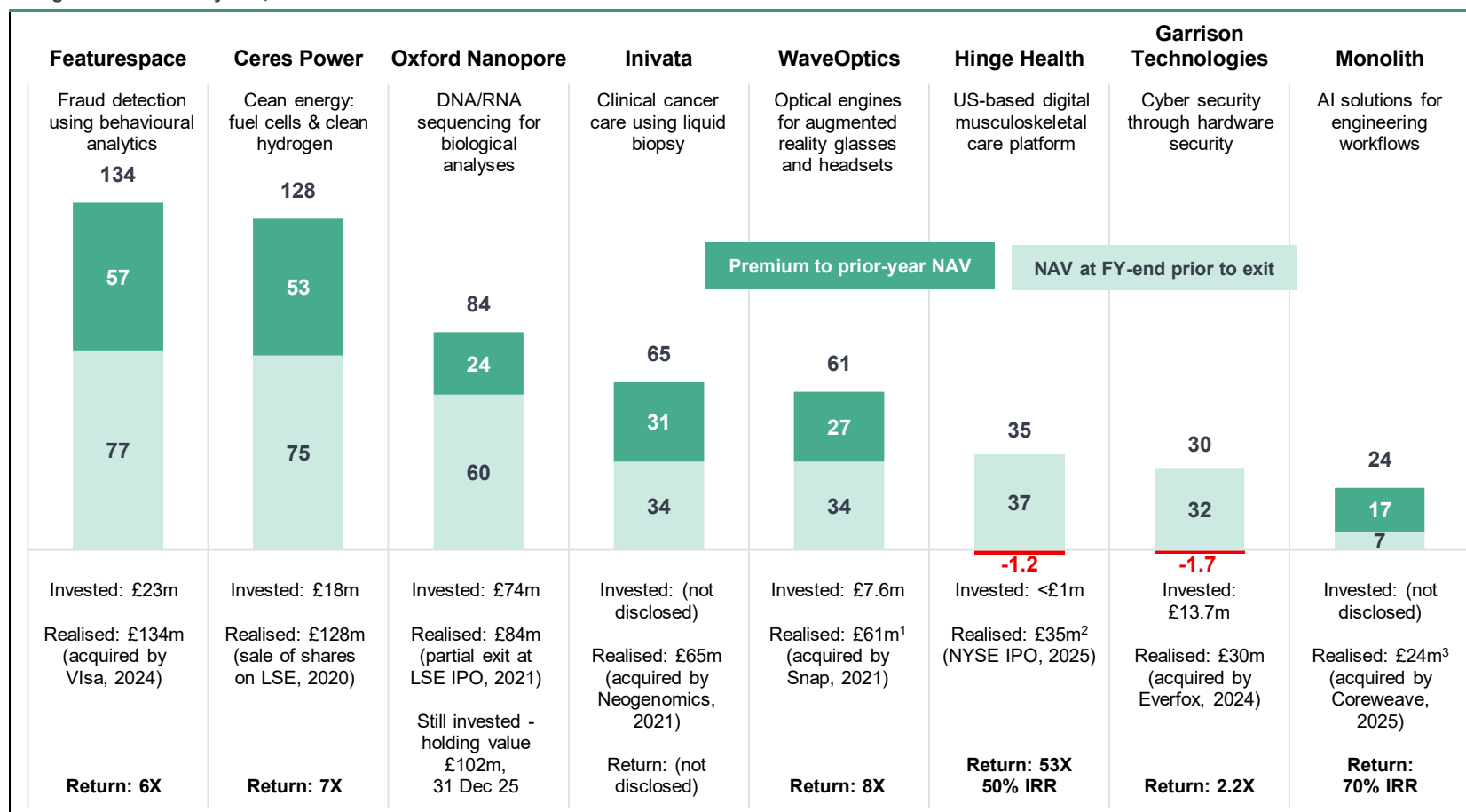


Source: Company. \*Eli Lilly has made an offer for Centessa which would see IPG receive an £18m payment in 2026.

## Track record of exceptional returns from largest exits, mostly above holding NAV

The group's largest exits over the last six years demonstrate how profitable its winners can be, with **the best performer (Hinge Health, listed on the NYSE in 2025) returning 53X the capital invested**. Importantly, **all large exits (except two) were at a significant premium to their pre-exit holding value** (While Hinge Health and Garrison Technologies were exited at a value marginally below prior-year NAV, Hinge Health was listed during this period, so the slight value fall simply reflected price movement of its listed shares). This suggests that IP Group values its investments conservatively (see also next page).

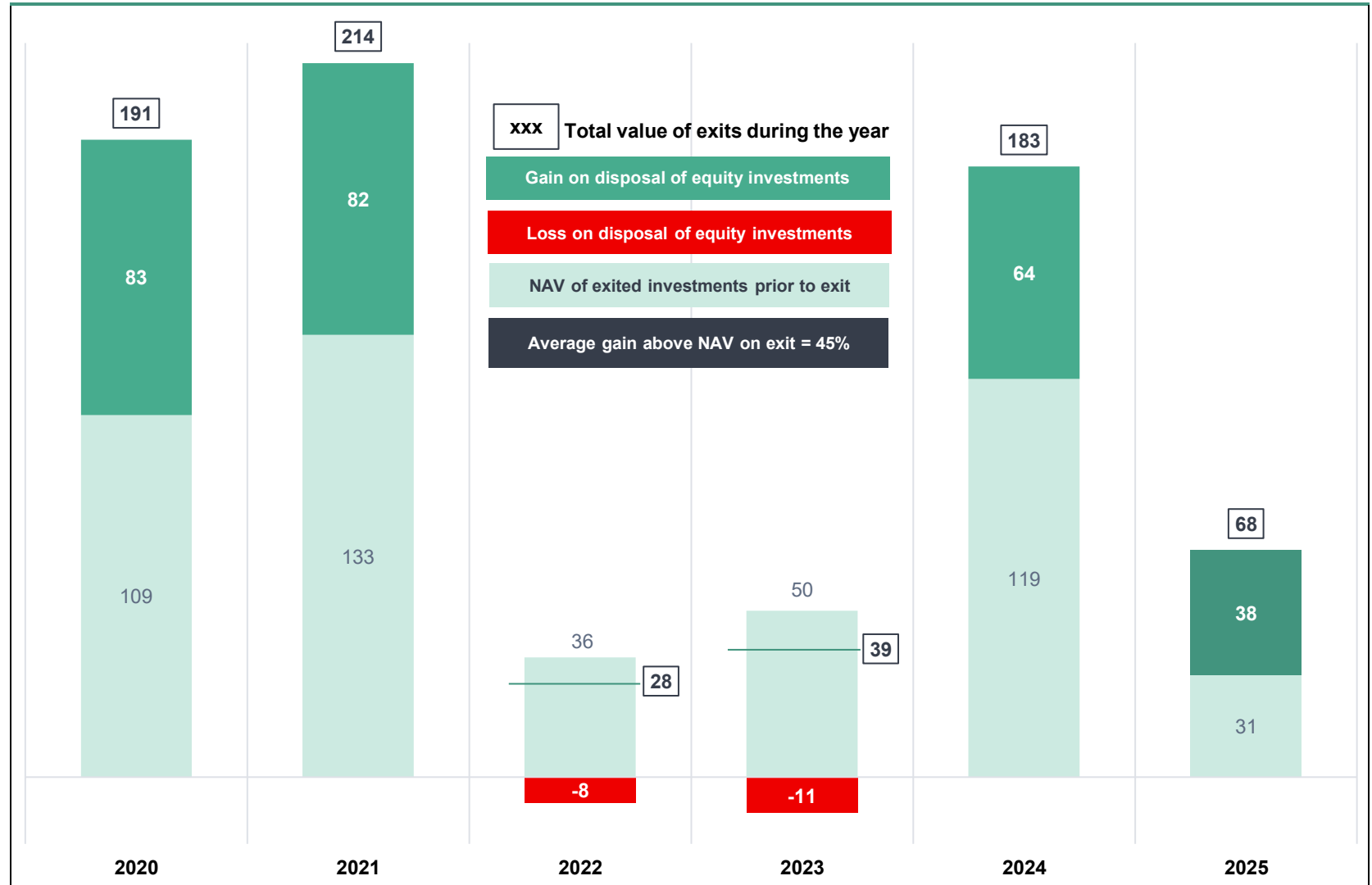
### Largest exits last six years, £m



Source: Company. <sup>1</sup>£30m in 2021 & £31m in 2023. <sup>2</sup>£18m in 2025, £17m in 2026, balance in prior years. <sup>3</sup>£3.4m received in FY25, balance incl. CoreWeave Convertible Loan note FY26.

## Across portfolio, exits realised at average of 45% above holding NAV

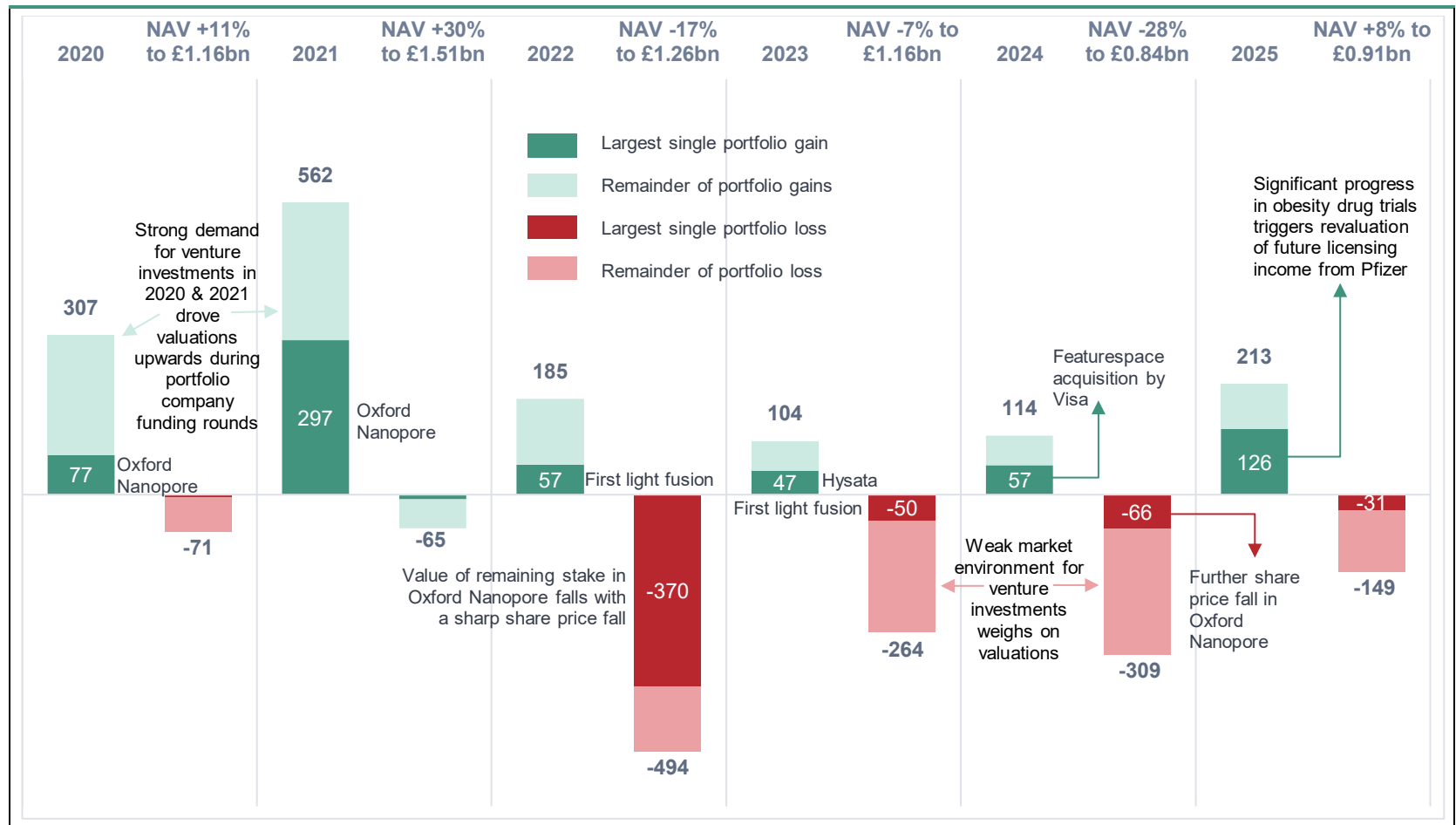
Value of realisations per year compared to holding-NAV at the end of the prior year, £m



## Investors also exposed to significant portfolio NAV moves (inevitable in venture)

While relatively few large exits will naturally dominate the upside for IP Group's investors, these exits need to be viewed in the context of the entire portfolio. And investors will inevitably be exposed to sometimes large, and sometimes sudden, moves in portfolio NAV, to the upside as well as to the downside. This is the nature of a venture portfolio. NAV moves can be impacted from year to year by both individual portfolio company valuation moves, and by overall market conditions (see examples labelled in chart below).

Portfolio NAV, gains and losses (realised and unrealised), £m



Source: Company

## Ones to watch

Some companies in IP Group's portfolio have not yet reached the stage of commercialisation to command significant enough valuations to be included in the 'top ten' on which the group reports. But some of the technologies being developed, and the commercial applications thereof, clearly have the potential to move into that category as they advance. A few selected examples of these are described below.

### Lumai (DeepTech – future compute)

Lumai builds optical computers — machines that use *light* instead of *electricity* to perform the heaviest parts of AI computation. IP Group share: 26%.

Because light travels faster, doesn't generate heat in the same way, and can perform many operations in parallel, **optical computing can make AI models run much faster, with far less energy, and at much lower cost than today's Graphics Processing Units.**

Data is processed at least 50x faster and 90% more efficiently than today's solutions.

Lumai was spun out of the University of Oxford in 2021. IPG was an early-stage investor.

[Lumai website](#)

### Mantle8 (CleanTech – alternative fuels)

Mantle8 is a French clean-energy startup searching for naturally occurring hydrogen trapped underground. IP Group share: 15%.

It creates predictive models to map where hydrogen is produced inside the Earth and what quantities are available. This "natural hydrogen" could become a cheap, low-carbon fuel if found at scale. **Mantle8 helps identify promising hydrogen drilling sites and assess whether commercial production is viable.** If successful, it could offer a new, affordable source of clean energy for industry, transport and power generation.

The company believes its approach can bring natural-hydrogen production costs down to a level which would be transformative for clean-hydrogen economics.

[Mantle8 website](#)

### Intrinsic (DeepTech – future compute)

Intrinsic Semiconductor Technologies is a UK spin-out developing a new type of computer memory that uses *oxide-based ReRAM* — a tiny component that stores data by changing the resistance of a material rather than holding electrical charge. IP Group share: 28%

ReRAM is a type of non-volatile **memory that is smaller, faster and more energy-efficient than Flash.** Its technology can deliver read speeds up to 100× faster and write speeds up to 1,000× faster

If successful, it could be used in **AI accelerators, data-centre hardware, edge devices, smartphones and industrial electronics**, enabling quicker processing and lower power consumption across modern computing.

[Intrinsic website](#) [IPG case study](#)

### Enterprise Therapeutics (HealthTech – Cystic Fibrosis drugs)

Enterprise Therapeutics is developing a **drug that treats CF sufferers who do not respond to currently available treatments.** IP Group share: 20%

In diseases such as cystic fibrosis (CF), the lungs become congested with mucus leading to difficulty in breathing. Around 10% of people with CF do not benefit from existing treatments. Enterprise's lead drug treats this cohort. It announced a successful phase 2 trial in May 26.

There may also be potential for use on top of existing treatments to improve overall treatment efficacy for the other 90% of the CF population.

[Enterprise Therapeutics website](#)

Source: IP Group, Portfolio company websites and press releases

## Third-party assets under management: fee income & an investment pipeline

### Fee income and a pipeline for future direct investments

- In addition to its £0.9bn direct investment portfolio, IP Group manages c. £0.5bn of venture investments for third parties.
- Around two thirds of AUM is managed by UK subsidiary [Parkwalk Advisors](#), which invests in UK university spinouts via a range of EIS funds. It has partnerships with [18 leading UK universities](#) to source investments. Most of the other third of AUM is managed by [IP Group Australia](#) for Hostplus, a top ten Australian superannuation fund.
- Group revenues were c. £7.4m in FY25, covering c. 1/3<sup>rd</sup> of group costs. While not nearly as large as the cash generated from direct investment exits, this is a more predictable income stream, and it is a **strategic priority to grow fee income**.
- Parkwalk is well positioned for growth.** The university spinout market is experiencing strong growth, with equity investment up from £0.9bn in 2015 to £3.4bn in 2024\*. Changes to EIS rules in 2026 have seen a doubling of the amount a company can raise through EIS. Parkwalk is also a leader in offering *Approved EIS funds* (where tax relief is obtained at the *fund subscription date*, not the underlying company investment date).
- Another area of **significant potential growth is sourcing private capital from institutional investors**. IP Group Australia already has the mandate from Hostplus which continues to grow (increased by c. £65m in 2024). And **in 2025, a new investment management mandate was won in the UK, to build and manage a portfolio of later-stage (series B+) investments for Aberdeen**. AUM from this deal should start to build in 2026.
- Further mandates are being targeted, with more pension scheme capital set to be deployed into venture following the Mansion House reforms.

Source: Company, ED, \* Beahurst (2025 data not yet available).

### AUM breakdown\* and growth areas

#### CURRENT



Investment sectors/technological areas for third party funds are largely common across the group i.e. HealthTech, DeepTech, and CleanTech.

Parkwalk's investments are typically earlier stage (mostly pre-seed, seed & series A) than the group's direct investments (mostly series B & C+). These earlier stage investments are a key source of investments for later-stage on-balance-sheet direct investments.

#### FUTURE

Build Aberdeen mandate (negotiated in 2025, funding to flow in 2026).

Add more institutional mandates, with an emphasis on tapping into that portion of UK pension fund capital being redirected to venture investments (following Mansion House reforms).

Source: Company. \* as at 31 Dec 2025

## Financial analysis

### Income statement (page 1)

#### Income statement dominated by portfolio valuation moves

- A feature of IPG's income statement (and its cash flow statement) is that there is no trend. Its accounts are essentially annual updates on a perpetual venture portfolio. The largest movements are driven by portfolio fair value moves and by exits. These can vary greatly from year to year, so **it is only logical to evaluate the performance of this business over a multi-year horizon which includes strong ('20 & '21) and weak ('22 – '24) venture market cycles**. Below are the four primary line items which usually account for most of the moves in the income statement (bold green items on right).
- Change in fair value of equity & debt investments*: These movements can be large and volatile to both the upside and the downside. They are driven by individual company valuation moves ([p10](#)), but also by the general VC valuation trends. In 2021 and 2022, valuations were buoyant with IPG marking up the value of many investments, with the opposite scenario in 2022 and 2023.
- Gains or losses on disposals*: These can also be large but have primarily been positive income statement entries, with **IPG mostly selling investments at a premium to holding NAV, indicative of a conservative valuation approach**.
- Change in fair value of partnership interests*: a similar income statement driver to the first bullet above, but for investments held through limited and limited liability partnerships.
- Other administrative expenses*: essentially the running costs of the business excluding the incentives of share-based payments and carried interest plan. **These expenses have been cut in recent years** as IPG has streamlined its operations.

Source: Company, ED

#### Historical income statements (simplified)

| 12m to end Dec, £m                   | FY20A         | FY21A         | FY22A          | FY23A          | FY24A          | FY25A         |
|--------------------------------------|---------------|---------------|----------------|----------------|----------------|---------------|
| <u>Portfolio return and revenue</u>  |               |               |                |                |                |               |
| Change in FV of equity & debt inv.   | 148.9         | 415.9         | (303.4)        | (110.9)        | (246.1)        | (70.1)        |
| Gain on equity & debt disposals      | 82.5          | 81.5          | (7.8)          | (10.8)         | 63.7           | 37.5          |
| Change in FV partnership interests   | (3.4)         | 1.8           | 2.1            | (38.8)         | (12.6)         | (12.8)        |
| Gain on decons. of subsidiaries      | 0.0           | (3.8)         | 0.0            | 0.0            | 0.0            | 117.8         |
| Rev. from services & other income    | 6.2           | 13.6          | 7.1            | 5.9            | 5.5            | 7.4           |
| <b>Total</b>                         | <b>234.2</b>  | <b>508.9</b>  | <b>(302.0)</b> | <b>(154.6)</b> | <b>(189.5)</b> | <b>79.8</b>   |
| <u>Administrative expenses</u>       |               |               |                |                |                |               |
| Carried interest plan credit         | (14.3)        | (17.2)        | (12.0)         | 4.7            | 7.9            | 7.0           |
| Share-based payment charge           | (2.9)         | (2.6)         | (2.9)          | (2.6)          | (1.9)          | (2.4)         |
| <b>Other administrative expenses</b> | <b>(29.4)</b> | <b>(33.2)</b> | <b>(27.4)</b>  | <b>(28.0)</b>  | <b>(25.3)</b>  | <b>(23.4)</b> |
| <b>Total</b>                         | <b>(46.6)</b> | <b>(53.0)</b> | <b>(42.3)</b>  | <b>(25.9)</b>  | <b>(19.3)</b>  | <b>(18.8)</b> |
| <b>Net overheads (APM)*</b>          | <b>(20.6)</b> | <b>(19.5)</b> | <b>(20.2)</b>  | <b>(22.1)</b>  | <b>(19.2)</b>  | <b>(15.9)</b> |
| <b>Operating profit/(loss)</b>       | <b>187.6</b>  | <b>456.0</b>  | <b>(344.3)</b> | <b>(180.5)</b> | <b>(208.8)</b> | <b>61.0</b>   |
| Finance income                       | 0.9           | 0.4           | 2.2            | 9.8            | 8.8            | 10.2          |
| Finance costs                        | (2.4)         | (1.8)         | (1.4)          | (5.6)          | (6.7)          | (6.4)         |
| <b>Profit/(loss) before taxation</b> | <b>186.1</b>  | <b>454.6</b>  | <b>(343.5)</b> | <b>(176.3)</b> | <b>(206.7)</b> | <b>64.8</b>   |
| Taxation                             | (0.7)         | (5.3)         | (1.0)          | 1.9            | (0.3)          | 2.1           |
| Effective tax rate                   | 0.0%          | 1.2%          | (0.3%)         | 1.1%           | (0.1%)         | (3.2%)        |
| <b>Profit/(loss) for the year</b>    | <b>185.4</b>  | <b>449.3</b>  | <b>(344.5)</b> | <b>(174.4)</b> | <b>(207.0)</b> | <b>66.9</b>   |
| <u>Earnings/(loss) per share</u>     |               |               |                |                |                |               |
| Basic (p)                            | 17.5          | 42.3          | (33.0)         | (16.5)         | (20.0)         | 7.2           |
| Diluted (p)                          | 17.4          | 41.7          | (33.0)         | (16.5)         | (20.0)         | 7.1           |

Source: Company. \*Alternative Performance Measure (see commentary on left)

## Income statement (page 2)

### Income statement dominated by portfolio valuation moves

- *Gains or losses on deconsolidation of subsidiaries* have been large but infrequent one-off items. In FY25, the £118m gain was primarily the value uplift on Pfizer obesity drug royalties.
- *Carried interest plan*: This is an incentive scheme for selected employees to share in the profits and losses of investments. The movements in fair value are recorded on the income statement.
- *Net overheads* (fee & other income less overheads) is a key metric, measuring costs not covered by fee and other income, which effectively need to be covered by investment realisations. **IPG has successfully reduced net overheads over the last few years, and the push to grow fee income (p12) should drive further progress.**
- *Finance income* is received from interest on the substantial cash balances held by the group (c. £211m on 31 Dec 25) and from finance income from debt investments which are mostly convertible loans generating FV gains on conversion (c. £79m).
- *Finance costs* are interest payments on borrowings (borrowings were c. £120m on 31 Dec 25).
- IPG's effective tax rate has been very low, mostly due to *Substantial Shareholding Exemption* (SSE) rules. This provides corporation tax relief on capital gains where shareholding is >10%, and investment realisations are IPG's primary source of cash income.

Source: Company, ED

### Historical income statements (simplified)

| 12m to end Dec, £m                    | FY20A         | FY21A         | FY22A          | FY23A          | FY24A          | FY25A         |
|---------------------------------------|---------------|---------------|----------------|----------------|----------------|---------------|
| <u>Portfolio return and revenue</u>   |               |               |                |                |                |               |
| Change in FV of equity & debt inv.    | 148.9         | 415.9         | (303.4)        | (110.9)        | (246.1)        | (70.1)        |
| Gain on equity & debt disposals       | 82.5          | 81.5          | (7.8)          | (10.8)         | 63.7           | 37.5          |
| Change in FV partnership interests    | (3.4)         | 1.8           | 2.1            | (38.8)         | (12.6)         | (12.8)        |
| Gain on decons. of subsidiaries       | (0.0)         | (3.8)         | 0.0            | 0.0            | 0.0            | 117.8         |
| Rev. from services & other income     | 6.2           | 13.6          | 7.1            | 5.9            | 5.5            | 7.4           |
| <b>Total</b>                          | <b>234.2</b>  | <b>508.9</b>  | <b>(302.0)</b> | <b>(154.6)</b> | <b>(189.5)</b> | <b>79.8</b>   |
| <u>Administrative expenses</u>        |               |               |                |                |                |               |
| Carried interest plan (charge)/credit | (14.3)        | (17.2)        | (12.0)         | 4.7            | 7.9            | 7.0           |
| Share-based payment charge            | (2.9)         | (2.6)         | (2.9)          | (2.6)          | (1.9)          | (2.4)         |
| Other administrative expenses         | (29.4)        | (33.2)        | (27.4)         | (28.0)         | (25.3)         | (23.4)        |
| <b>Total</b>                          | <b>(46.6)</b> | <b>(53.0)</b> | <b>(42.3)</b>  | <b>(25.9)</b>  | <b>(19.3)</b>  | <b>(18.8)</b> |
| <b>Net overheads (APM)*</b>           | <b>(20.6)</b> | <b>(19.5)</b> | <b>(20.2)</b>  | <b>(22.1)</b>  | <b>(19.2)</b>  | <b>(15.9)</b> |
| <b>Operating profit/(loss)</b>        | <b>187.6</b>  | <b>456.0</b>  | <b>(344.3)</b> | <b>(180.5)</b> | <b>(208.8)</b> | <b>61.0</b>   |
| Finance income                        | 0.9           | 0.4           | 2.2            | 9.8            | 8.8            | 10.2          |
| Finance costs                         | (2.4)         | (1.8)         | (1.4)          | (5.6)          | (6.7)          | (6.4)         |
| <b>Profit/(loss) before taxation</b>  | <b>186.1</b>  | <b>454.6</b>  | <b>(343.5)</b> | <b>(176.3)</b> | <b>(206.7)</b> | <b>64.8</b>   |
| Taxation                              | (0.7)         | (5.3)         | (1.0)          | 1.9            | (0.3)          | 2.1           |
| Effective tax rate                    | 0.0%          | 1.2%          | (0.3%)         | 1.1%           | (0.1%)         | (3.2%)        |
| <b>Profit/(loss) for the year</b>     | <b>185.4</b>  | <b>449.3</b>  | <b>(344.5)</b> | <b>(174.4)</b> | <b>(207.0)</b> | <b>66.9</b>   |
| <u>Earnings/(loss) per share</u>      |               |               |                |                |                |               |
| Basic (p)                             | 17.5          | 42.3          | (33.0)         | (16.5)         | (20.0)         | 7.2           |
| Diluted (p)                           | 17.4          | 41.7          | (33.0)         | (16.5)         | (20.0)         | 7.1           |

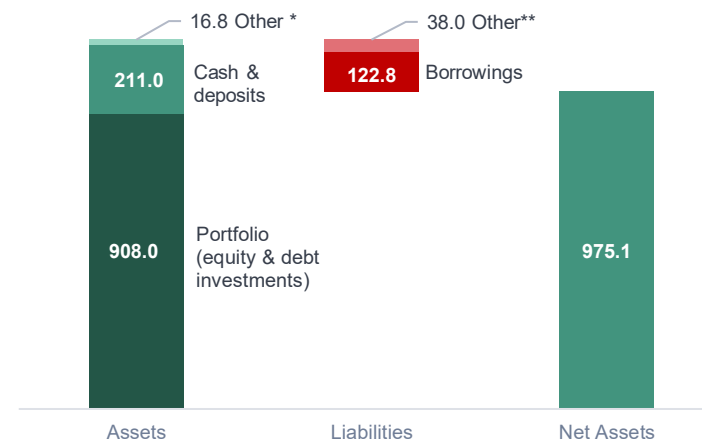
Source: Company. \*Alternative Performance Measure (see commentary on left)

## Balance sheet

### Strong balance sheet, dominated by portfolio investments and cash

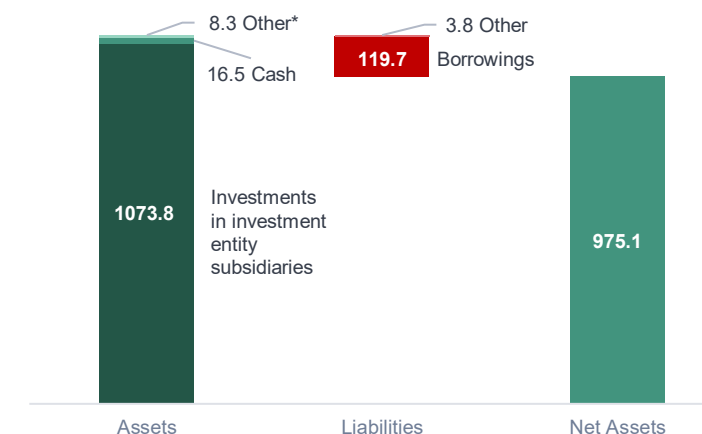
- IPG's balance sheet is dominated by three line items (top chart):
  - Investment portfolio: £908m
  - Cash: £211m
  - Borrowings: (£123m)
- IPG uses a range of valuation methods for its investment portfolio, primarily: 1) discounted cash flow models or revenue multiples; 2) valuations used in recent funding rounds; and 3) mark-to-market valuations where the portfolio company is publicly quoted (e.g. Oxford Nanopore). Further analysis of investment portfolio valuations is detailed on [p19](#).
- Borrowings primarily relate to a £120m private placement issued in 2022 and 2023. This is due to be repaid with three equal maturities in December 2027, 2028, and 2029. A key covenant of this placement is a 'cash trap' which stipulates that IPG is required to maintain cash and cash equivalents of no less than £50m, equity must be at least £750m, and gross debt less restricted cash must not exceed 20% of total equity.
- In 2025, IPG reclassified as an *investment entity* under IFRS 10 (the value attributed to the Pfizer licence income rights tipped assessment in favour of reclassification). This changed how it presents its balance sheet (bottom chart). The effect of this change is that certain subsidiaries are no longer consolidated in the statutory accounts. Instead, the value of all assets and liabilities within these subsidiaries are shown in a single line (*Investments in investment entity subsidiaries*) of the balance sheet. Some of these subsidiaries hold a significant proportion of IPG's cash and deposits so the true cash position of the group is not immediately transparent in the IFRS balance sheet. A pro-forma balance sheet (old methodology) is still presented at the end of IPG's financial statements. We show both positions in our cash flow forecasts on [p27](#).

### Pro-forma balance sheet (previous reporting methodology), £m



Source: Company. \*Non-current assets & net current assets. \*\*Non-current liabilities.

### IFRS balance sheet (new reporting methodology), £m



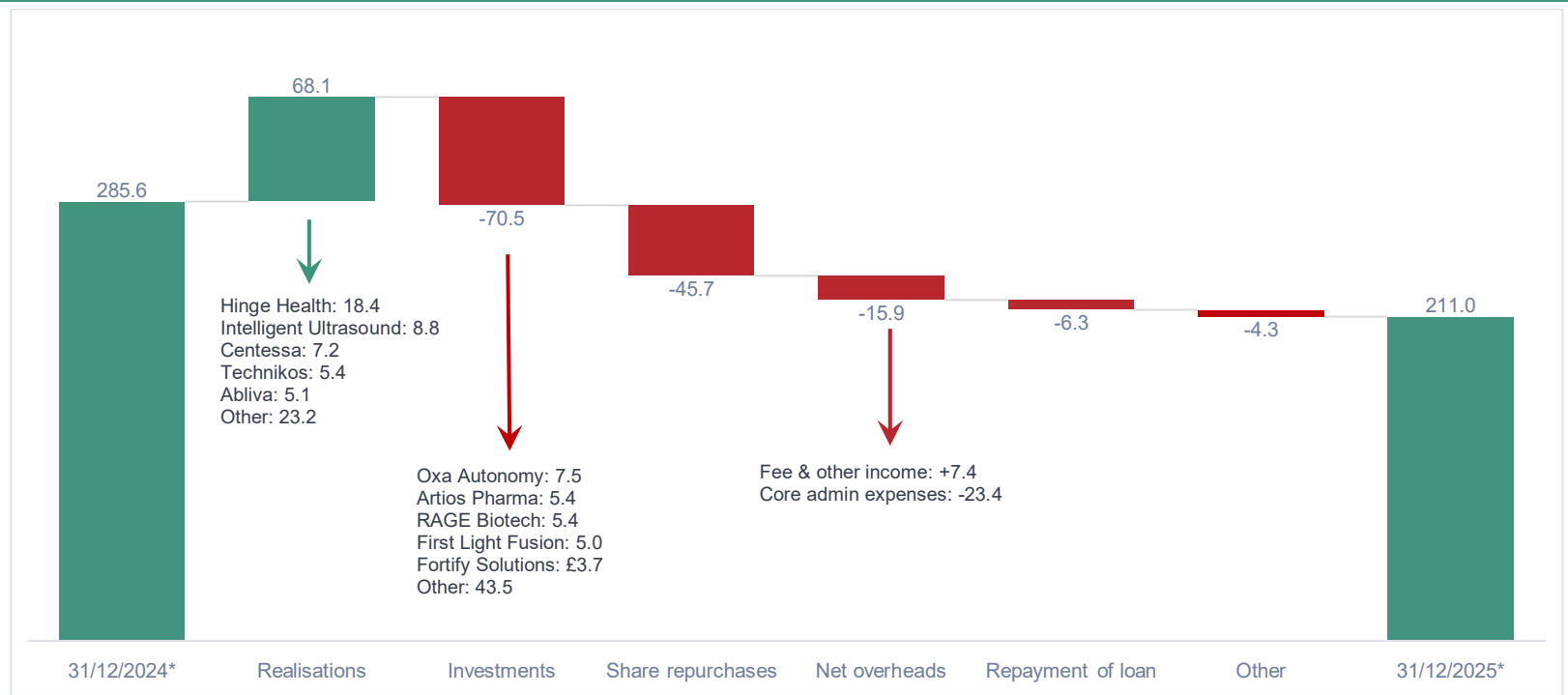
Source: Company

## Cash flow

IPG's cash flow is usually dominated by relatively few line items.

- *Realisations* or cash proceeds from exits. These are inherently lumpy and can fluctuate widely from year to year, for example £214m was realised in 2021, but only £28m in 2022 (see [p7](#) for longer term view).
- *Investments* or cash deployed into the portfolio. These deployments are much more stable from year to year and mostly fall within the £60-£80m range (see [p7](#) for longer term view).
- *Share repurchases* which are used as the mechanism to return capital to shareholders when the share price trades at a >20% discount to NAV (see [p17](#) for details and longer-term view of share repurchase and dividend policy and history).
- *Net overheads*: fee and other income less core administrative expenses. IPG has been working on increasing fee income (see [p12](#)) and it has reduced its overhead costs in recent years (see [p14](#)), so over time, we would expect net overheads to decrease.

### Cash flow movement summary over 2025, £m



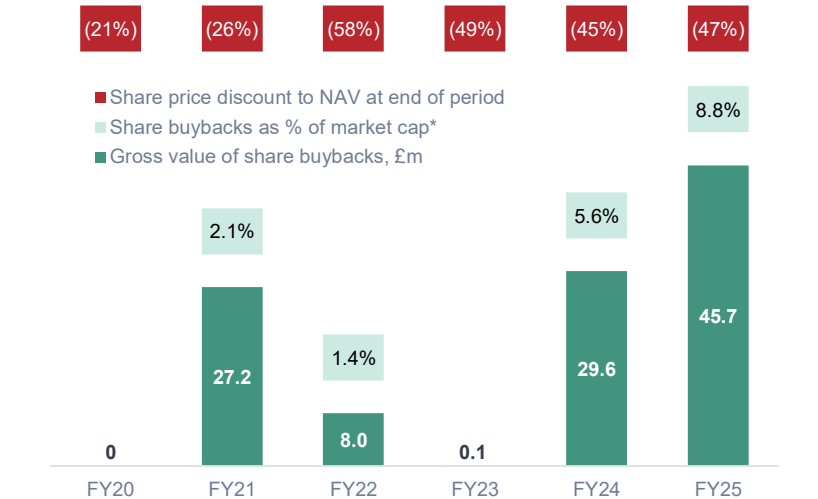
Source: Company. \* Cash & deposits

## Share buybacks and dividends

### Buybacks preferred where share price discount to NAV >20%

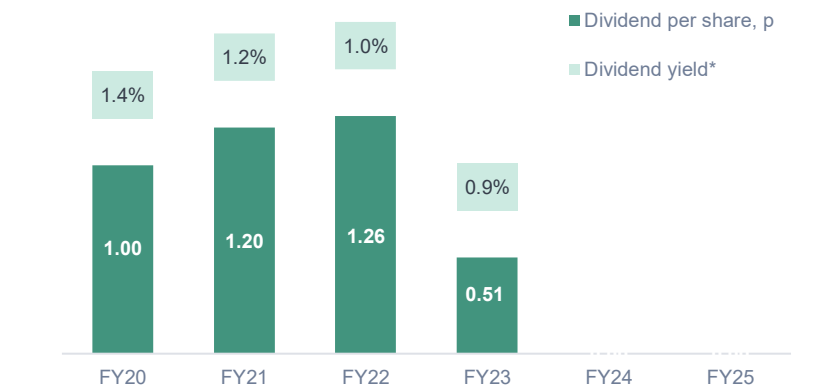
- Over the last five years, IPG has returned over £150m to shareholders via share buybacks or dividends.
- As one of the key performance metrics of the group is to narrow the share price discount to NAV per share, its Capital Allocation Policy states that **buybacks will be used as the primary mechanism of returns if the share price discount to NAV exceeds 20%**. This has been the case over the last few years (top chart).
- In FY25, IPG had committed to allocate 50% of its exit proceeds to buybacks. Consequently, **£45.7m was used to retire nearly 9% of the group's shares**.
- Since the completion of the 2025 buyback programme, at least £30m of cash from realisations has already been accumulated, which is likely to jump by another c. £18m should Eli Lilly's acquisition of Centessa conclude.
- We estimate total exits for FY26 could be in £90-£100m range, and while IPG has not committed to a percentage of exits to be allocated to buybacks this year, it is likely to be a substantial value. If say one-third of FY26 estimated exits is allocated to buybacks, that would translate to another 5-6% of share capital being retired.
- There have been no dividends paid since FY23 due to conditions favouring share buybacks as described above.

### Share buybacks



Source: Company, ED calculations. \* Based on share/price/market cap at beginning of period.

### Dividends



Source: Company. \* Based on share/price/market cap at beginning of period

## Forecasts

### Forecasts are highly transaction-dependent

- Overleaf, we detail our valuation, which is based on NAV. We therefore do not rely on financial forecasts as the primary driver of our valuation (save for fee and expenses forecasts which are used to determine a current NAV of net costs, and near-term NAV gain forecasts where there is some visibility on upcoming milestones which would impact NAV - explained overleaf).
- But we do provide summary financial forecasts (this page & appendix) to give some idea of financial results expectations. These carry the caveat that the main drivers of financial results can vary dramatically from year to year, depending on factors such as portfolio NAV moves, the number of exits and the value of exits. These values are often transaction-dependent, so are impossible to forecast with accuracy. We can however provide estimates built on known deal activity, management expectations, and historical trends. Our main assumptions are:
  - *Change in FV of equity & debt investments*: We assume +5% in FY26 and +7% in FY27 (FY25: 7%) – this excludes gains on exits which is a separate line item (see below). Also, in FY27, we assume successful PH3 trials of the first Pfizer obesity drug, with the probability of success rising from 53% to 80%, which drives a FV gain of £38m i.e. Pfizer portfolio value moves from £128m to £166m.
  - *Revenue from services & other income*: We expect Parkwalk and existing fee income to grow by c. 10% per annum, and in addition, fee income from the new Aberdeen mandate should boost fee income. We have assumed £250k in FY26 and £1m in FY27 from new institutional clients (including Aberdeen).
  - *Gains or losses on disposals*: We assume realisations are executed at a 25% premium to holding value at the end of the previous FY. Over the last six years, IPG has on average exited investments at a 45% premium to holding NAV (see [p8](#) & [9](#)). Therefore a 25% average seems conservative.
  - *Other administrative expenses*: We assume 5% per annum growth in expenses.

Source: Company, ED

### Forecast income statements (simplified)

| 12m to end Dec, £m                            | FY25A         | FY26E         | FY27E         |
|-----------------------------------------------|---------------|---------------|---------------|
| <u>Portfolio return and revenue</u>           |               |               |               |
| <b>Change in FV of equity &amp; debt inv.</b> | <b>(70.1)</b> | <b>35.5</b>   | <b>89.5</b>   |
| <b>Gain on equity &amp; debt disposals</b>    | <b>37.5</b>   | <b>25.0</b>   | <b>25.0</b>   |
| Change in FV of partnership interests         | (12.8)        | 0.1           | <b>0.1</b>    |
| Gain on decons. of subsidiaries               | 117.8         | 0.0           | <b>0.0</b>    |
| <b>Rev. from services &amp; other income</b>  | <b>7.4</b>    | <b>6.9</b>    | <b>8.3</b>    |
| <b>Total</b>                                  | <b>79.8</b>   | <b>67.4</b>   | <b>122.9</b>  |
| <u>Administrative expenses</u>                |               |               |               |
| Carried interest plan credit                  | 7.0           | 0.0           | 0.0           |
| Share-based payment charge                    | (2.4)         | (2.6)         | (2.9)         |
| <b>Other administrative expenses</b>          | <b>(23.4)</b> | <b>(24.5)</b> | <b>(25.7)</b> |
| <b>Total</b>                                  | <b>(18.8)</b> | <b>(27.1)</b> | <b>(28.6)</b> |
| <b>Net overheads (APM)*</b>                   | <b>(17.8)</b> | <b>(17.8)</b> | <b>(18.4)</b> |
| <b>Operating profit/(loss)</b>                | <b>61.0</b>   | <b>40.3</b>   | <b>94.3</b>   |
| Finance income                                | 10.2          | 9.2           | <b>10.2</b>   |
| Finance costs                                 | (6.4)         | (6.1)         | (6.1)         |
| <b>Profit/(loss) before taxation</b>          | <b>64.8</b>   | <b>43.4</b>   | <b>98.2</b>   |
| Taxation                                      | 2.1           | 0.0           | <b>0.0</b>    |
| Effective tax rate                            | (3.2%)        | 0.0%          | <b>0.0%</b>   |
| <b>Profit/(loss) for the year</b>             | <b>66.9</b>   | <b>43.4</b>   | <b>98.2</b>   |
| <u>Earnings/(loss) per share</u>              |               |               |               |
| Basic (p)                                     | 7.2           | 5.0           | 12.1          |
| Diluted (p)                                   | 7.1           | 4.9           | 11.8          |

Source: Company. \*Alternative Performance Measure (see commentary on page 14).  
 NOTE: Forecasts in the original publication of this note contained an error in forecast finance costs, which were recorded as +£6.1m in FY26E and FY27E, instead of -£6.1m. The numbers affected by this have been corrected in this note. The error did not affect our estimate of fair value.

## Valuation of 106p per share, 70% premium to current share price

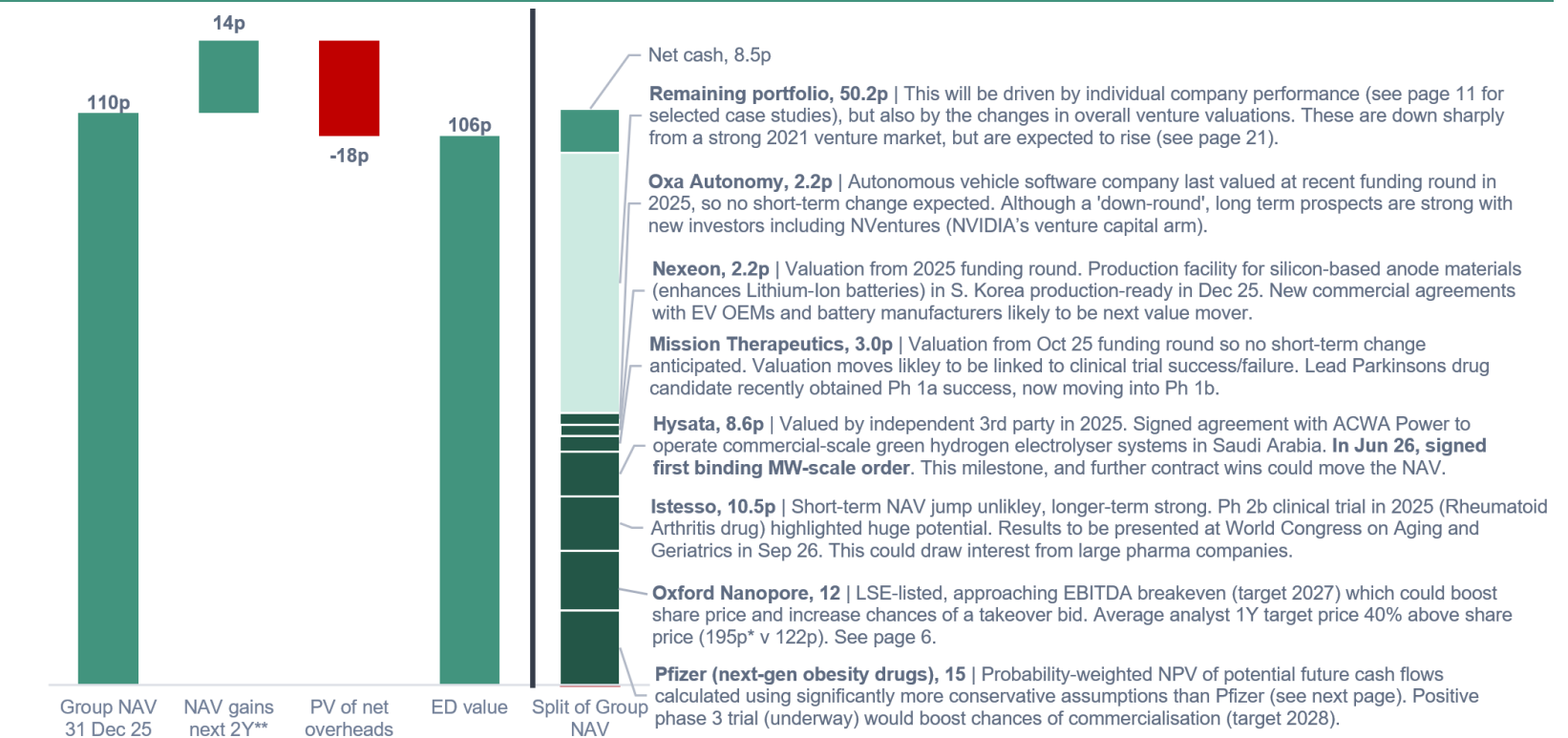
Our valuation of IPG is based on an NAV methodology. Most importantly, **we see no reason to apply an arbitrary discount to how IPG has arrived at its NAV per share**. The majority of exits have been at a premium to NAV (see [p9](#)), suggesting holdings are valued conservatively. Our valuation makes two adjustments to group NAV of 31 Dec 25.

1) We allow for some NAV uplift (+14p) from post year-end developments (Centessa agreeing to an [acquisition offer from Eli Lilly](#) at c. 40% premium to the pre-bid share price; Pfizer [progressing its PH3 trials](#) of Berobenatide), and from potential near-term milestone successes (Oxford Nanopore moving closer to price targets as it nears EBITDA-breakeven; Hysata delivering further commercial contracts; Artios Pharma and RAGE Biotech succeeding with potentially significant value-enhancing clinical trials). Conservatively, our +14p NAV uplift is 50% of the forecast NAV uplift, as these events are not guaranteed.

2) We deduct the present value of net overheads (even if IPG realises investments at current valuation levels over time, it would still have the 'cash leakage' of net overheads).

ED valuation of 106p per share

Breakdown of IPG NAV per share and potential for NAV moves of largest holdings



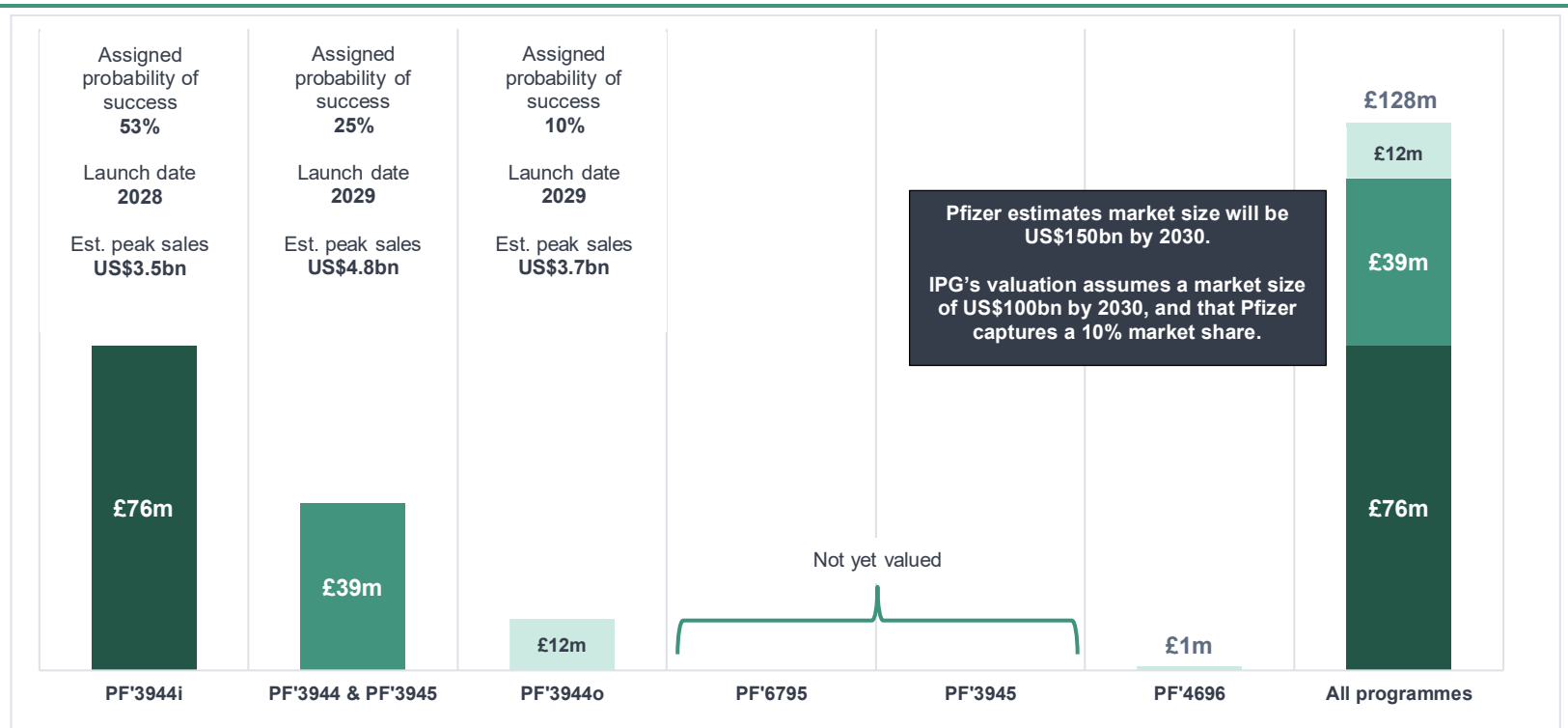
Source: Company, ED. \*Koyfin. \*\*Assumption (50% of forecast NAV gains).

## Valuation of Pfizer royalty rights & milestone payments

The largest component of IPG's NPV is its potential royalty and milestone income from Pfizer's next generation of obesity drugs. IPG retained certain rights to this income when its previous portfolio company Zihipp was acquired by Metsera in 2023 which was in turn acquired by Pfizer in 2025. Clinical progress on the lead candidate Berobenatide – a successful PH 2b trial and Pfizer announcing commencement of PH 3 with the potential for a commercial launch in 2028 – triggered IPG to assign a value to this drug portfolio for the first time in 2025. Berobenatide could **potentially be best-in-class in a new generation of injectable GLP-1 drugs**, requiring injections once per month instead of weekly.

IPG commissioned a 3<sup>rd</sup> party valuation of the portfolio. This calculated the potential contractual revenue streams which could become due to IPG using projected sales forecasts derived using the mean of equity analyst research. These potential revenue streams were then discounted back to present value and reduced further by the probability of success (probabilities being assigned based on the stage of advancement of clinical trials). The value assigned to the portfolio was **£128m**, summarised below.

### NPVs of Pfizer obesity drug royalty & milestone rights



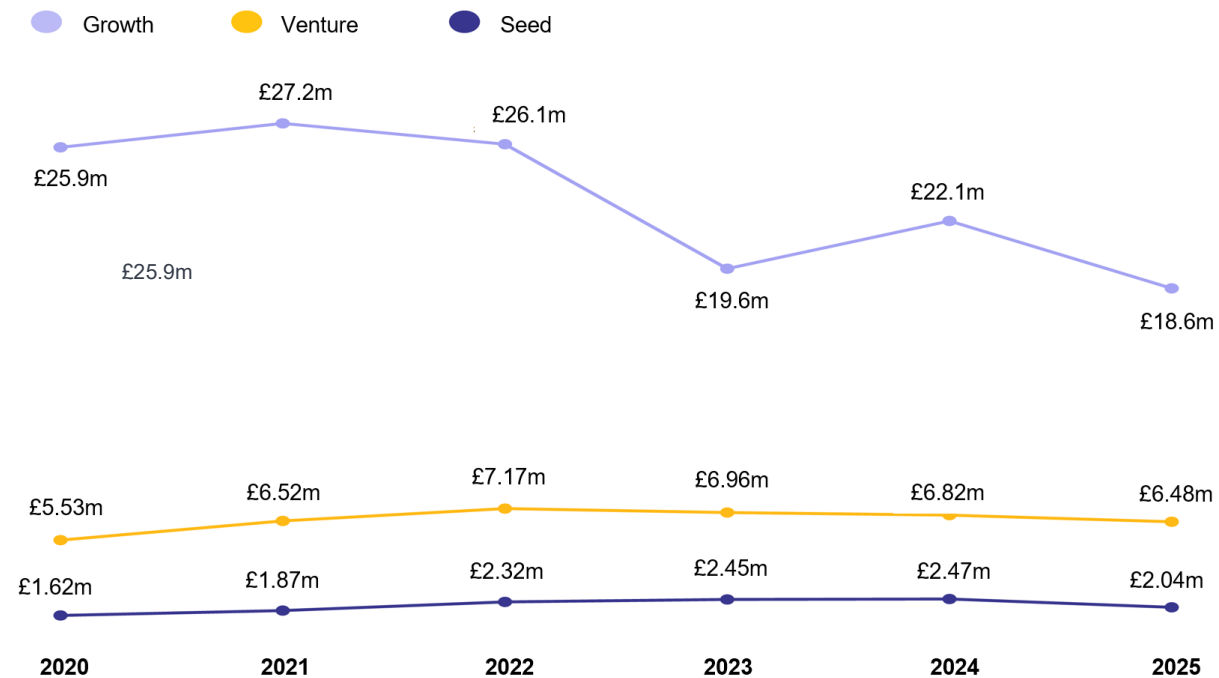
Source: Company. All launch dates, probabilities of success and peak sales reflect management estimates. Approval timing reflects management estimates only. Regulatory approval is not assured and there can be no guarantee that any royalties will be received. Pfizer programme names: MET-097i = PF'3944, MET-233i = PF'3945, MET-034i = PF'4696, MET815i = PF'6795

## State of UK venture valuations

It is also clear that **UK venture valuations are currently depressed**, especially for larger VC investments. Data from research house Beauhurst shows that median valuations in 'growth' businesses (larger VC-backed businesses which would make up the bulk of IPG's portfolio value - see note below chart) have fallen fairly sharply since the more buoyant market of 2021.

But valuations rise and fall with market conditions, and a pickup in valuations should be a boost to IPG's NAV and to the exit environment. The British Business Bank's report, *UK Venture Capital Financial Returns 2025*, suggests **a valuation pickup is likely**: "Looking ahead, 50% of GPs expect average valuations to rise across the VC market over the next year, with the majority expecting either a moderate increase (24%) or slight increase (24%). In contrast, the percentage of GPs expecting a slight or moderate decrease was 16% and 4% respectively. 30% expected average valuations to remain in line with current levels. This reflects recent signs indicating some signs of recovery in valuations across the wider UK VC market."

Median pre-money valuation by stage of evolution (2020-2025)



Source: Beauhurst (chart reproduced with permission). Summarised stage of evolution definitions: Seed = young, low-valuation startups (most commonly funded by grant-awarding bodies, equity crowdfunding, business angels); Venture = companies with proven models, multi-year development, and valuations in the millions (most commonly backed by venture capital firms); Growth = 5+ years old, multi-location, substantial revenues and headcount (most commonly funded by venture capital firms, corporates, asset management firms, mezzanine lenders).

## Appendix 1: New Chair & selected executive profiles

In May 26, IP Group announced the appointment of Michael Queen, who is now Chair of the Board (from 18 Jun 26). Michael was Chief Executive of 3i Group plc, retiring in 2012. He is currently Chair of Collier Capital Ltd, a UK based international Private Equity Group, Pro-Chancellor of the University of Surrey, Chair of Thames Tideway Tunnel and a non-executive director of TAQA, a Middle East based industrial group. Previous roles include being a member of the Prime Ministers Business Advisory Group; a secondment to HM Treasury; Chairman of the British Venture Capital Association; and President of Surrey 100, a Business Angel Group attached to the University of Surrey.

### Chief Executive Officer: Greg Smith ([link to full profile](#))



- Prior to being appointed CEO, Greg was IPG's Chief Financial Officer.
- >20 years' experience in financial services and extensive investment management experience.
- Prior to IPG, worked at Tarchon Capital Management, a multi-billion-dollar fund of hedge funds.
- Accountant in KPMG's London financial services practice working with asset management, insurance and banking clients.
- Fellow of the ICAEW, degree in Mathematics from the University of Warwick.

### Chief Financial and Operating Officer: David Baynes ([link to full profile](#))



- Joined IPG following the acquisition of Fusion IP plc – an IP commercialisation company he co-founded in 2003, where he was CEO.
- Served on a range of portfolio company Boards.
- Previously worked at Celsis International plc from its incorporation to its flotation on the LSE in 1993, and also at Toad plc (now 21st Century Technology PLC) which he also co-founded and where he was responsible for taking the company from start-up to a full listing on the LSE.
- Chartered Accountant.

### Managing Partner: Dr Mark Reilly ([link to full profile](#))



- Overseen more than 200 private and public company venture transactions.
- >15 years' experience sitting on technology company boards. Board member at WaveOptics when it was sold to Snap Inc for over \$500m.
- Led the first investments into several of the UK's most prominent Deeptech start-ups.
- Prior to joining IPG, was the founder and MD of Remarkable Innovation, a Singapore-based technical due diligence company.
- PhD Engineering from the University of Cambridge, UK.

### CEO ParkWalk Advisors, Moray Wright ([link to full profile](#))



- 30-year career has been all around investing.
- Co-founded Parkwalk in 2009.
- >20 years working at various investment banks, helped advise companies on acquisitions, fund-raising, restructuring and strategy.
- Serves on the boards of several Parkwalk portfolio companies including PervasID and Cambridge Touch and was formerly on the boards of Perpetuum (sold to Hitachi Rail), Fuel3D and Tangentix.
- Sits on the IP Group plc Executive Committee.

Source: Company, LinkedIn

## Appendix 2: Largest shareholders

IPG's largest shareholder by some distance is the Railway Pension Scheme with 18%. This is a longstanding shareholder with a long-term investment horizon, suited to the returns over time IPG should be able to generate from its 'permanent capital' approach to direct investments.

Also noteworthy is the c. 12% shareholding of Saba Capital. Although no public disclosures have been made by Saba, this is an activist shareholder often seen pushing for actions to close discounts to NAV. Typically, it tries to persuade management into actions such as buybacks, tender offers (where the company offers to repurchase shares at or close to NAV), or accelerated realisations and then some form or return of capital to shareholders. But we do not know for sure what strategy Saba is currently deploying at IPG.

### Major shareholders

|                                                          | Holding %    |
|----------------------------------------------------------|--------------|
| Railways Pension Scheme                                  | 18.4%        |
| BlackRock                                                | 6.4%         |
| Vanguard                                                 | 5.3%         |
| Imperial College                                         | 3.5%         |
| Janus Henderson                                          | 3.4%         |
| Legal & General Investment Management                    | 3.2%         |
| Schroder Investment Management                           | 3.1%         |
| Jefferies as principal                                   | 2.9%         |
| Aberdeen                                                 | 2.7%         |
| Lansdowne Partners                                       | 2.5%         |
| <b>Additional TR-1 disclosures*</b>                      |              |
| Holding including exposure through financial instruments |              |
| Saba Capital                                             | 11.8%        |
| Jefferies Financial Group                                | 3.9%         |
| Bank of America Corp                                     | 3.6%         |
|                                                          | <b>70.0%</b> |

Source: Company (original source IR database), as at 27 Feb 26, Saba Capital holding as at 3 Aug 26. \*TR1 filings which may duplicate underlying shares

## Appendix 3: Summary financials & forecasts

| Income statement                              |               |               |                |                |                |               |               |               |
|-----------------------------------------------|---------------|---------------|----------------|----------------|----------------|---------------|---------------|---------------|
| 12 months to end Dec, £'m                     | FY 20A        | FY 21A        | FY 22A         | FY 23A         | FY 24A         | FY25 A        | FY26 E        | FY27 E        |
| <b>Portfolio return and revenue</b>           |               |               |                |                |                |               |               |               |
| Change in FV of equity & debt investments     | 148.9         | 415.9         | (303.4)        | (110.9)        | (246.1)        | (70.1)        | 35.5          | 89.5          |
| Gain on disposal of equity & debt investments | 82.5          | 81.5          | (7.8)          | (10.8)         | 63.7           | 37.5          | 25.0          | 25.0          |
| Change in FV of partnership interests         | 0.0           | 1.8           | 2.1            | (38.8)         | (12.6)         | (12.8)        | 0.1           | 0.1           |
| Gain on deconsolidation of subsidiaries       | (3.4)         | (3.8)         | 0.0            | 0.0            | 0.0            | 117.8         | 0.0           | 0.0           |
| Revenue from services & other income          | 6.2           | 13.6          | 7.1            | 5.9            | 5.5            | 7.4           | 6.9           | 8.3           |
| <b>Total</b>                                  | <b>234.2</b>  | <b>508.9</b>  | <b>(302.0)</b> | <b>(154.6)</b> | <b>(189.5)</b> | <b>79.8</b>   | <b>67.4</b>   | <b>122.9</b>  |
| <b>Administrative expenses</b>                |               |               |                |                |                |               |               |               |
| Carried interest plan credit                  | (14.3)        | (17.2)        | (12.0)         | 4.7            | 7.9            | 7.0           | 0.0           | 0.0           |
| Share-based payment charge                    | (2.9)         | (2.6)         | (2.9)          | (2.6)          | (1.9)          | (2.4)         | (2.6)         | (2.9)         |
| Other administrative expenses                 | (29.4)        | (33.2)        | (27.4)         | (28.0)         | (25.3)         | (23.4)        | (24.5)        | (25.7)        |
| <b>Total</b>                                  | <b>(46.6)</b> | <b>(53.0)</b> | <b>(42.3)</b>  | <b>(25.9)</b>  | <b>(19.3)</b>  | <b>(18.8)</b> | <b>(27.1)</b> | <b>(28.6)</b> |
| <b>Net overheads*</b>                         | <b>(20.6)</b> | <b>(19.5)</b> | <b>(20.2)</b>  | <b>(22.1)</b>  | <b>(19.2)</b>  | <b>(15.9)</b> | <b>(17.8)</b> | <b>(18.4)</b> |
| <b>Operating profit/(loss)</b>                | <b>187.6</b>  | <b>456.0</b>  | <b>(344.3)</b> | <b>(180.5)</b> | <b>(208.8)</b> | <b>61.0</b>   | <b>40.3</b>   | <b>94.3</b>   |
| Finance income                                | 0.9           | 0.4           | 2.2            | 9.8            | 8.8            | 10.2          | 9.2           | 10.2          |
| Finance costs                                 | (2.4)         | (108.0)       | (1.4)          | (5.6)          | (6.7)          | (6.4)         | (6.1)         | (6.1)         |
| <b>Profit/(loss) before taxation</b>          | <b>186.1</b>  | <b>454.6</b>  | <b>(343.5)</b> | <b>(176.3)</b> | <b>(206.7)</b> | <b>64.8</b>   | <b>43.4</b>   | <b>98.2</b>   |
| Taxation                                      | (0.7)         | (5.3)         | (1.0)          | 1.9            | (0.3)          | 2.1           | 0.0           | 0.0           |
| Effective tax rate                            | 0.0%          | 1.2%          | -0.3%          | 1.1%           | -0.1%          | -3.2%         | 0.0%          | 0.0%          |
| <b>Profit/(loss) for the year</b>             | <b>185.4</b>  | <b>449.3</b>  | <b>(344.5)</b> | <b>(174.4)</b> | <b>(207.0)</b> | <b>66.9</b>   | <b>43.4</b>   | <b>98.2</b>   |
| <b>Earnings/(loss) per share</b>              |               |               |                |                |                |               |               |               |
| Basic (p)                                     | 17.5          | 42.3          | (33.0)         | (16.5)         | (20.0)         | 7.2           | 5.0           | 12.1          |
| Diluted (p)                                   | 17.4          | 41.7          | (33.0)         | (16.5)         | (20.0)         | 7.1           | 4.9           | 11.8          |

Source: Company data, Equity Development. \*Alternative Performance Measure.

NOTE: Forecasts in the original publication of this note contained an error in forecast finance costs, which were recorded as +£6.1m in FY26E and FY27E, instead of -£6.1m. The numbers affected by this have been corrected in this note. The error did not affect our estimate of IPG's fair value.

**Balance sheet (page 1)**

| As at end Dec, £'m                                  | FY 20A         | FY 21A         | FY 22A         | FY 23A         | FY 24A         | FY25 A         | FY26 E         | FY27 E         |
|-----------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>ASSETS</b>                                       |                |                |                |                |                |                |                |                |
| <b>Non-current assets</b>                           |                |                |                |                |                |                |                |                |
| Goodwill                                            | 0.4            | 0.4            | 0.4            | 0.4            | 0.4            | 0.4            | 0.4            | 0.4            |
| Property, plant and equipment                       | 0.8            | 0.3            | 0.4            | 1.4            | 0.8            | 0.0            | 0.0            | 0.0            |
| Investments in investment entity subsidiaries       |                |                |                |                |                | 1,073.8        | 1,096.4        | 1,173.1        |
| Fair value of cash flows from intangible assets     |                |                |                |                |                | 99.1           | 99.1           | 99.1           |
| Debt & equity investments                           |                |                |                |                |                | 709.3          | 739.8          | 824.3          |
| Limited liability partnership interests             |                |                |                |                |                | 40.7           | 43.3           | 45.8           |
| Receivable on sale of debt & equity investments     |                |                |                |                |                | 54.4           | 0.0            | 0.0            |
| <b>Total</b>                                        |                |                |                |                |                | <b>903.5</b>   | <b>882.1</b>   | <b>969.2</b>   |
| Other non-current assets                            |                |                |                |                |                | 19.4           | 19.0           | 18.6           |
| Cash & deposits                                     |                |                |                |                |                | 194.5          | 238.9          | 228.9          |
| Other net current liabilities                       |                |                |                |                |                | (6.4)          | (6.4)          | (6.4)          |
| Carried interest plan liability                     |                |                |                |                |                | (16.0)         | (16.0)         | (16.0)         |
| Other non-current liabilities                       |                |                |                |                |                | (21.2)         | (21.2)         | (21.2)         |
| Fair value of cash flows from intangible assets     | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            |
| Joint venture investment                            | 0.0            | 0.0            | 0.0            | 0.6            | 0.6            | 0.0            | 0.0            | 0.0            |
| Equity investments                                  | 1,124.0        | 1,391.8        | 1,120.8        | 1,011.5        | 713.8          | 0.0            | 0.0            | 0.0            |
| Debt investments                                    | 38.7           | 22.8           | 38.1           | 83.7           | 51.6           | 3.4            | 3.4            | 3.4            |
| Limited and limited liability partnership interests | 22.2           | 92.9           | 99.6           | 69.7           | 58.1           | 1.2            | 1.2            | 1.2            |
| Receivable on sale of debt and equity investments   | 0.0            | 31.3           | 6.9            | 7.8            | 18.5           | 0.0            | 0.0            | 0.0            |
| Deferred tax asset                                  | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            |
| <b>Total non-current assets</b>                     | <b>1,186.1</b> | <b>1,539.5</b> | <b>1,266.2</b> | <b>1,175.1</b> | <b>843.8</b>   | <b>1,078.8</b> | <b>1,101.4</b> | <b>1,178.1</b> |
| Current assets                                      | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            |
| Assets held for sale                                | 0.0            | 0.0            | 0.0            | 0.0            | 13.9           | 0.0            | 0.0            | 0.0            |
| Trade and other receivables                         | 3.6            | 6.9            | 8.8            | 8.2            | 6.3            | 3.3            | 3.3            | 3.3            |
| Receivable on sale of debt and equity investments   | 15.3           | 11.0           | 41.3           | 1.4            | 1.6            | 0.0            | 0.0            | 0.0            |
| Deposits                                            | 142.7          | 216.2          | 152.8          | 126.0          | 170.0          | 0.0            | 0.0            | 0.0            |
| Cash and cash equivalents                           | 127.6          | 105.7          | 88.7           | 100.9          | 115.6          | 16.5           | 6.4            | (2.7)          |
| <b>Total current assets</b>                         | <b>289.2</b>   | <b>339.8</b>   | <b>291.6</b>   | <b>236.5</b>   | <b>307.4</b>   | <b>19.8</b>    | <b>9.7</b>     | <b>0.6</b>     |
| <b>Total assets</b>                                 | <b>1,475.3</b> | <b>1,879.3</b> | <b>1,557.8</b> | <b>1,411.6</b> | <b>1,151.2</b> | <b>1,098.6</b> | <b>1,111.1</b> | <b>1,178.7</b> |

Source: Company data, Equity Development

NOTE: Forecasts in the original publication of this note contained an error in forecast finance costs, which were recorded as +£6.1m in FY26E and FY27E, instead of -£6.1m. The numbers affected by this have been corrected in this note. The error did not affect our estimate of IPG's fair value.

## Balance sheet (page 2)

| As at end Dec, £'m                                 | FY 20A         | FY 21A         | FY 22A         | FY 23A         | FY 24A         | FY25 A         | FY26 E         | FY27 E         |
|----------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>EQUITY AND LIABILITIES</b>                      |                |                |                |                |                |                |                |                |
| <b>Equity attributable to owners of the parent</b> |                |                |                |                |                |                |                |                |
| Called up share capital                            | 21.3           | 21.3           | 21.3           | 21.3           | 19.5           | 17.8           | 17.8           | 17.8           |
| Share premium account                              | 101.6          | 102.4          | 102.5          | 102.5          | 102.5          | 102.5          | 102.5          | 102.5          |
| Capital redemption reserve                         | 0.0            | 0.0            | 0.0            | 0.0            | 1.8            | 3.5            | 3.5            | 3.5            |
| Retained earnings                                  | 1,208.5        | 1,617.5        | 1,257.9        | 1,075.6        | 842.2          | 851.3          | 864.3          | 932.4          |
| Total equity attributable to equity holders        | 1,331.4        | 1,741.2        | 1,381.7        | 1,199.4        | 966.0          | 975.1          | 988.1          | 1,056.2        |
| Non-controlling interest                           | 5.0            | (3.1)          | (5.6)          | (9.1)          | (13.5)         | 0.0            | 0.0            | 0.0            |
| <b>Total equity</b>                                | <b>1,331.9</b> | <b>1,738.1</b> | <b>1,376.1</b> | <b>1,190.3</b> | <b>952.5</b>   | <b>975.1</b>   | <b>988.1</b>   | <b>1,056.2</b> |
| <b>Current liabilities</b>                         |                |                |                |                |                |                |                |                |
| Trade and other payables                           | 11.0           | 18.7           | 16.9           | 17.1           | 12.5           | 3.0            | 3.0            | 3.0            |
| Borrowings                                         | 15.4           | 15.4           | 6.3            | 6.3            | 6.3            | 119.7          | 119.2          | 118.7          |
| <b>Total current liabilities</b>                   | <b>26.4</b>    | <b>34.1</b>    | <b>23.2</b>    | <b>23.4</b>    | <b>18.8</b>    | <b>122.7</b>   | <b>122.2</b>   | <b>121.7</b>   |
| <b>Non-current liabilities</b>                     |                |                |                |                |                |                |                |                |
| Borrowings                                         | 51.9           | 36.4           | 75.1           | 128.9          | 122.8          | 0.0            | 0.0            | 0.0            |
| Carried interest plan liability                    | 19.3           | 33.1           | 44.1           | 38.0           | 27.3           | 0.0            | 0.0            | 0.0            |
| Deferred tax liability                             | 0.0            | 5.8            | 6.8            | 4.8            | 4.5            | 0.8            | 0.8            | 0.8            |
| Loans from limited partners of consolidated funds  | 32.9           | 18.7           | 19.5           | 19.8           | 19.9           | 0.0            | 0.0            | 0.0            |
| Other non-current liabilities                      | 12.9           | 13.1           | 13.0           | 6.4            | 5.4            | 0.0            | 0.0            | 0.0            |
| <b>Total non-current liabilities</b>               | <b>117.0</b>   | <b>107.1</b>   | <b>158.5</b>   | <b>197.9</b>   | <b>179.9</b>   | <b>0.8</b>     | <b>0.8</b>     | <b>0.8</b>     |
| <b>Total liabilities</b>                           | <b>143.4</b>   | <b>141.2</b>   | <b>181.7</b>   | <b>221.3</b>   | <b>198.7</b>   | <b>123.5</b>   | <b>123.0</b>   | <b>122.5</b>   |
| <b>Total equity and liabilities</b>                | <b>1,475.3</b> | <b>1,879.3</b> | <b>1,557.8</b> | <b>1,411.6</b> | <b>1,151.2</b> | <b>1,098.6</b> | <b>1,111.1</b> | <b>1,178.7</b> |

Source: Company data, Equity Development.

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## Cash flow statement (page 1)

| 12 months to end Dec, £'m                                 | FY 20A        | FY 21A        | FY 22A         | FY 23A         | FY 24A         | FY25 A        | FY26 E        | FY27 E        |
|-----------------------------------------------------------|---------------|---------------|----------------|----------------|----------------|---------------|---------------|---------------|
| <b>Operating activities</b>                               |               |               |                |                |                |               |               |               |
| <b>Profit/(loss) before taxation for the period</b>       | <b>186.1</b>  | <b>454.6</b>  | <b>(343.5)</b> | <b>(176.3)</b> | <b>(206.7)</b> | <b>64.8</b>   | <b>43.4</b>   | <b>98.2</b>   |
| Adjusted for:                                             | 0.0           | 0.0           | 0.0            | 0.0            | 0.0            | 0.0           | 0.0           | 0.0           |
| Change in FV of equity and debt investments               | 148.9         | (415.9)       | 303.4          | 110.9          | 246.1          | 70.1          | (35.5)        | (89.5)        |
| (Gain)/loss on disposal of equity investments             | (82.5)        | (81.5)        | 7.8            | 10.8           | (63.7)         | (37.5)        | (25.0)        | (25.0)        |
| Change in FV of ltd & ltd liability partnership interests | 3.4           | (1.8)         | (2.1)          | 38.8           | 12.6           | 12.8          | (0.1)         | (0.1)         |
| (Gain)/loss on deconsolidation of subsidiaries            | 0.0           | 3.8           | 0.0            | 0.0            | 0.0            | (117.8)       | 0.0           | 0.0           |
| Carried interest plan and other deal incentives credit    | 14.3          | 17.2          | 12.0           | (4.7)          | (7.9)          | (7.0)         | 0.0           | 0.0           |
| IFRS 3 charge – acquisition – equity-settled              | 2.0           | 0.0           | 0.0            | 0.0            | 0.0            | 0.0           | 0.0           | 0.0           |
| Carried interest scheme payments                          | (0.5)         | (3.4)         | (1.0)          | (1.3)          | (2.5)          | (4.3)         | 0.0           | 0.0           |
| Share-based payment charge                                | 2.9           | 2.6           | 2.9            | 2.6            | 1.9            | 2.4           | 2.6           | 2.9           |
| Finance income                                            | (0.9)         | (0.4)         | (2.2)          | (9.8)          | (8.8)          | (10.2)        | (9.2)         | (10.2)        |
| Finance costs                                             | 2.4           | 1.8           | 1.4            | 5.6            | 6.7            | 6.4           | 6.1           | 6.1           |
| Depreciation of right-of-use asset, PPE                   | 1.4           | 1.6           | 0.6            | 0.6            | 0.6            | 0.5           | 0.5           | 0.5           |
| Corporate fin. fees settled via portfolio company equity  | (0.2)         | (0.5)         | (0.5)          | (0.1)          | 0.0            | (0.1)         | 0.0           | 0.0           |
| Changes in working capital                                | 0.0           | 0.0           | 0.0            | 0.0            | 0.0            | 0.0           | 0.0           | 0.0           |
| (Increase)/Decrease in trade and other receivables        | 2.1           | (3.0)         | (0.5)          | 1.3            | (0.7)          | (1.6)         | 0.0           | 0.0           |
| Increase/(Decrease) in trade and other payables           | (14.3)        | 8.8           | (2.8)          | (0.3)          | (7.3)          | (0.7)         | 0.0           | 0.0           |
| Distr's & drawdowns with ltd partners of cons. funds      | 6.8           | 27.7          | 0.8            | 0.3            | 0.1            | (1.6)         | 0.0           | 0.0           |
| Cash paid to settle share-based payments liabilities      | 0.0           | 0.0           | 0.0            | 0.0            | 0.0            | 0.0           | 0.0           | 0.0           |
| Other operating cash flows                                | 0.0           | 0.0           | 0.0            | 0.0            | 0.0            | 0.0           | 0.0           | 0.0           |
| Interest received                                         | (1.6)         | (1.5)         | 0.2            | 3.7            | 4.5            | 4.3           | 4.3           | 4.3           |
| <b>Net cash outflow from operating activities</b>         | <b>(27.5)</b> | <b>(10.0)</b> | <b>(23.5)</b>  | <b>(17.9)</b>  | <b>(25.1)</b>  | <b>(19.5)</b> | <b>(12.8)</b> | <b>(12.6)</b> |

Source: Company data, Equity Development.

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## Cash flow statement (page 2)

| 12 months to end Dec, £'m                                                      | FY 20A        | FY 21A        | FY 22A        | FY 23A       | FY 24A        | FY25 A        | FY26 E        | FY27 E        |
|--------------------------------------------------------------------------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|
| <b>Investing activities</b>                                                    |               |               |               |              |               |               |               |               |
| Purchase of property plant and equipment                                       | 0.0           | (0.2)         | (0.3)         | 0.0          | 0.0           | 0.1           | (0.1)         | (0.1)         |
| Purchase of equity and debt investments                                        | (67.5)        | (103.7)       | (88.9)        | (63.4)       | (60.8)        | (68.0)        | (70.0)        | (70.0)        |
| Investment in ltd and ltd liability partnership funds                          | (4.5)         | (3.0)         | (4.6)         | (9.8)        | (2.2)         | (2.5)         | (2.5)         | (2.5)         |
| Investment in Joint Venture                                                    | 0.0           | 0.0           | 0.0           | (0.6)        | 0.0           | 0.0           | 0.0           | 0.0           |
| Proceeds from sale of assets held for sale                                     | 0.0           | 0.0           | 0.0           | 0.0          | 0.0           | 10.1          | 0.0           | 0.0           |
| Proceeds from sale of equity and debt investments                              | 191.0         | 213.4         | 28.1          | 37.7         | 182.2         | 52.5          | 100.0         | 100.0         |
| Distribution from limited partnership funds                                    | 0.3           | 0.5           | 0.0           | 0.9          | 1.2           | 5.6           | 0.0           | 0.0           |
| Cash flow to deposits                                                          | (240.2)       | (230.5)       | (208.7)       | (191.7)      | (230.0)       | (173.2)       | 10.0          | 10.0          |
| Cash flow from deposits                                                        | 170.5         | 156.9         | 272.1         | 218.4        | 186.6         | 238.2         | 0.0           | 0.0           |
| Interest received on deposits                                                  | 0.0           | 0.0           | 0.0           | 4.1          | 5.9           | 5.8           | 4.9           | 5.9           |
| Cash derecognised on deconsolidation of subsidiaries                           | 0.0           | (7.1)         | 0.0           | 0.0          | 0.0           | (89.3)        | 0.0           | 0.0           |
| <b>Net cash (outflow)/inflow from investing activities</b>                     | <b>49.6</b>   | <b>26.3</b>   | <b>(2.3)</b>  | <b>(4.4)</b> | <b>82.9</b>   | <b>(20.7)</b> | <b>42.3</b>   | <b>43.3</b>   |
| <b>Financing activities</b>                                                    |               |               |               |              |               |               |               |               |
| Dividends paid                                                                 | 0.0           | (15.0)        | (12.3)        | (13.0)       | 0.0           | 0.0           | 0.0           | 0.0           |
| Repurchase of own shares                                                       | 0.0           | (27.2)        | (8.0)         | (0.1)        | (29.6)        | (45.7)        | (33.0)        | (33.0)        |
| Lease principal payment                                                        | (1.1)         | (0.7)         | (0.5)         | (0.5)        | (0.4)         | (0.5)         | (0.5)         | (0.5)         |
| Interest paid                                                                  | 0.0           | 0.0           | 0.0           | (5.5)        | (6.8)         | (6.4)         | (6.1)         | (6.1)         |
| Repayment of EIB loan facility                                                 | (15.3)        | (15.4)        | (29.8)        | (6.2)        | (6.1)         | (6.3)         | 0.0           | 0.0           |
| Drawdown of loan facility (net of costs)                                       | 0.0           | 0.0           | 59.4          | 60.0         | 0.0           | 0.0           | 0.0           | 0.0           |
| <b>Net cash (outflow) from financing activities</b>                            | <b>(16.4)</b> | <b>(58.3)</b> | <b>8.8</b>    | <b>34.7</b>  | <b>(42.9)</b> | <b>(58.9)</b> | <b>(39.6)</b> | <b>(39.6)</b> |
| <b>Net (decrease)/increase in cash &amp; equivalents</b>                       | <b>5.7</b>    | <b>(22.0)</b> | <b>(17.0)</b> | <b>12.4</b>  | <b>14.9</b>   | <b>(99.1)</b> | <b>(10.1)</b> | <b>(9.1)</b>  |
| Cash & equivalents at the beginning of the year                                | 121.9         | 127.6         | 105.7         | 88.7         | 100.9         | 115.6         | 16.5          | 6.4           |
| Effect of foreign exchange rate changes                                        | 0.0           | 0.1           | 0.0           | (0.2)        | (0.2)         | 0.0           | 0.0           | 0.0           |
| <b>Cash &amp; equivalents at the end of the year</b>                           | <b>127.6</b>  | <b>105.7</b>  | <b>88.7</b>   | <b>100.9</b> | <b>115.6</b>  | <b>16.5</b>   | <b>6.4</b>    | <b>(2.7)</b>  |
| <b>Cash &amp; equivalents including cash in investment entity subsidiaries</b> |               |               |               |              |               | <b>211.0</b>  | <b>245.3</b>  | <b>226.2</b>  |

Source: Company data, Equity Development.

NOTE: Forecasts in the original publication of this note contained an error in forecast finance costs, which were recorded as +£6.1m in FY26E and FY27E, instead of -£6.1m. The numbers affected by this have been corrected in this note. The error did not affect our estimate of IPG's fair value.



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