EDISON

IP Group

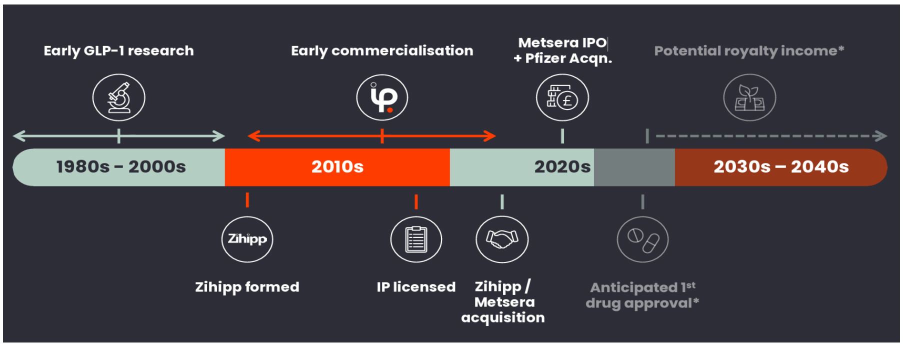
Interesting call option on anti-obesity programme

Investment companies
Listed venture capital/TMT

6 August 2026

IP Group allows investors to tap into the vast opportunity set of innovative, private companies and IP rights. We believe these investments align with some of the most compelling investment themes over the next decade, spanning anti-obesity drugs, gene sequencing, AI infrastructure, quantum computing, fusion energy, green hydrogen and autonomous vehicles, among others. IP Group remains focused on doubling down on a narrow set of more mature, growth-stage businesses to generate returns. The company's NAV per share increased by 13.0% in FY25, primarily on the back of a £126.4m increase in the value of its royalty and milestone exposure to Pfizer's Metsera-derived obesity pipeline, which makes IP Group an interesting 'call option' on Pfizer's anti-obesity programme.

Exhibit 1: Pfizer obesity royalty interest



Source: IP Group. Note: *Approval timing reflects IP Group's management estimates only. Regulatory approval is not assured and there can be no guarantee that any royalties will be received.

Strong signs of investor appetite

Investor demand across the broader global venture capital market remains selective and focused on high-quality assets from selected sectors. There are multiple indications of investor appetite for IP Group's holdings. First, management reiterated its guidance of more than £250m in proceeds from portfolio realisations between FY25 and FY27 (£68.1m of which was realised in FY25). Second, two of IP Group's quantum computing companies raised large funding rounds, and First Light Fusion reached a £25m first close of a funding round in Q226. The portfolio was well-funded overall at end-2025, with 26% of holdings (valued at more than £4m) funded to break even, 24% funded to 2028 or beyond, and 28% funded to 2027.

Appealing risk-reward profile from Pfizer's anti-obesity programme at current discount to NAV

We believe that, at the current 38% discount to end-2025 NAV, IP Group's shares currently offer a compelling asymmetric return profile stemming from its exposure to potential future income streams from the anti-obesity products of Metsera (acquired by Pfizer in November 2025 for up to $10bn). We estimate that IP Group's current share price leaves no more than £224m or 25.3p/share of value for IP Group's private portfolio (including the Metsera IP), beyond the lower end of the more than £250m of proceeds from portfolio realisations between FY25 and FY27 guided by management. This is only c 38% of the reported end-2025 fair value.

Not intended for persons in the EEA.

Price		**68.60p**
Market cap		**£606m**
Shares in issue		883.4m
Code/ISIN		IPO/GB00B128J450
Primary exchange		LSE
AIC sector		N/A
Financial year end		31 December
52-week high/low	72.0p	44.5p

Fund objective

IP Group helps to create, build and support IP-based companies internationally. The group focuses on companies that meaningfully contribute to regenerative, healthier (life sciences) and tech-enriched (deeptech) futures. The group is mostly active in the UK, with an international footprint through investment platforms in Australia, New Zealand and the United States.

Bull points

- Provides unique exposure to impactful technology businesses based on management's extensive deal origination network and strong relationships with top universities.
- Potential significant income from the exposure to Metsera's IP.
- Diverse portfolio across healthtech, deeptech and cleantech, with no significant exposure to SaaS.

Bear points

- IP Group is yet to build a solid track record of NAV total returns.
- The investment cases for some of IP Group's holdings have a binary outcome.
- Uncertain venture capital market outlook as recovery is at an early stage.

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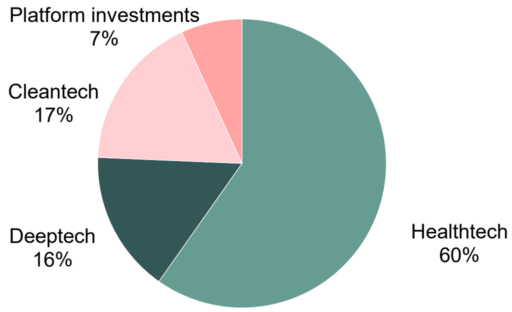
IP Group offers access to potentially disruptive innovations

IP Group's technical know-how, market knowledge, global relationships and evergreen structure make it well suited to support innovative businesses, spanning healthtech (60% of end-2025 portfolio value), deeptech (16%) and cleantech (17%, see Exhibit 2). It has so far created four unicorns, three of which were fully exited (Oxford Nanopore Technologies was partially exited):

- **Ceres Power**, which develops fuel cell technology used by original equipment manufacturers and partner organisations committed to developing combined heat and power products and other distributed energy generation applications;
- **Featurespace**, which uses proprietary machine learning algorithms to monitor customer data for real-time fraud and financial crime detection;
- **Oxford Nanopore Technologies (ONT)**, which offers a new generation of nanopore-based sensing technology, enabling the real-time, high-performance, accessible and scalable analysis (sequencing) of DNA and RNA in patients and pathogens; and
- **Hinge Health**, a 'digital clinic' for back and joint pain that completed its IPO last year.

IP Group derives deal flow from its network of relationships, broader ecosystem and the team's reputation in the market. It seeks to invest where it believes it has a competitive edge, including strong institutional relationships, scientific insight and the ability to add value through its wider ecosystem. While the group's historical model included contractual access arrangements with a number of UK universities, its current competitive position is better described as being based on deep long-standing partnerships with leading research institutions, predominantly through Parkwalk Advisors, its wholly owned enterprise investment scheme (EIS) fund management subsidiary. Parkwalk continues to manage funds in conjunction with Oxford, Cambridge, Bristol and Imperial College London, and in 2025 launched a new EIS fund with Northern Gritstone, covering Leeds, Liverpool, Manchester and Sheffield, supporting IP Group's access to early-stage university spin-out opportunities.

Exhibit 2: IP Group's portfolio breakdown at end-2025



Source: IP Group

IP Group has exited the main companies with exposure to the software application layer, which some investors believe may be adversely affected by AI disruption. Instead, it has been selectively investing in deeptech companies whose technologies may enable or amplify AI. This includes the area of AI infrastructure, for instance **Lumai** (which IP Group describes as an AI accelerator using optics for AI data centres), **Intelligent Silicon** (which is developing 20x more efficient decoders for transformer architecture) and **IntrinSic** (which says that its silicon-oxide RRAM can bring faster, more efficient memory to embedded systems and opens opportunities in AI hardware).

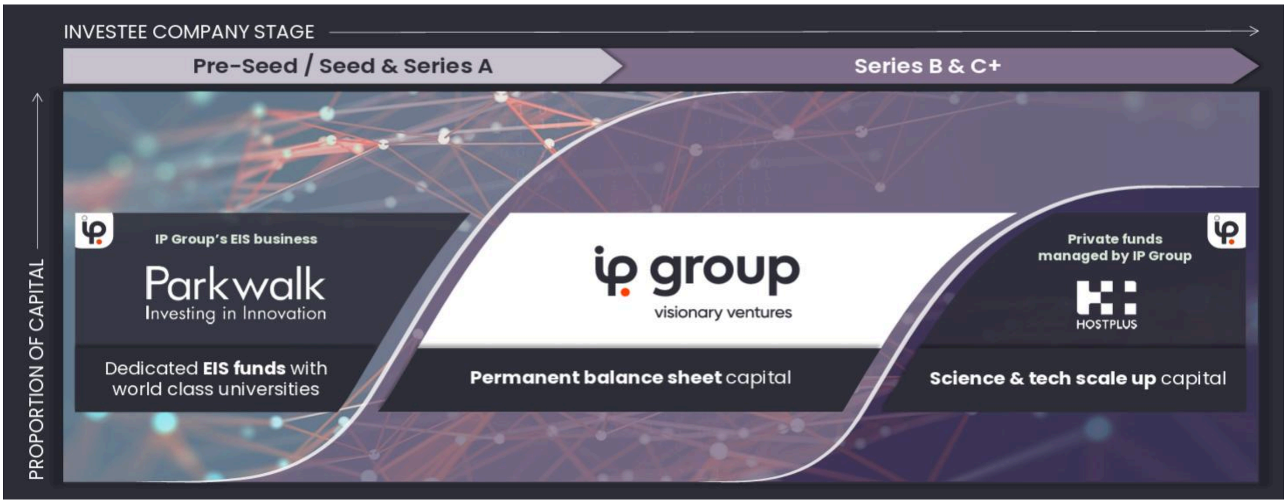
Finally, the need for more computing power from AI may support demand for quantum computing as the next computing paradigm, to which IP Group is exposed via companies such as **Quantum Motion** (which according to IP Group delivered the industry's first full-stack silicon complementary metal-oxide-semiconductor (CMOS) quantum computer in 2025) as well as **Oxford Quantum Circuits (OQC)** and **Quantum Dice**. We note that both OQC and Quantum Motion completed substantial Series C funding rounds in 2026 – the former raised £260m ($350m), marking Europe's largest ever private quantum computing funding round, and the latter raised $160m.

IP Group also holds companies that are potential beneficiaries of AI progress, for instance **Oxa Autonomy**, a commercial-stage, B2B-focused developer of universal autonomous software for any type of vehicle, which is integrating NVIDIA Cosmos and DRIVE AGX Thor into its stack to accelerate scenario generation, training and rollout for industrial autonomy.

Moreover, IP Group's portfolio provides exposure to the cleantech theme, with its largest holding in this area being **Hysata** (IP Group's fourth-largest holding valued at £76.2m, or 8.4% of portfolio value at end-2025), which is developing a novel capillary-fed electrolyser (a device that uses electricity to split water into hydrogen and oxygen)that has 95% system efficiency compared to the best incumbent solutions at 75%. Hysata is addressing the emerging green hydrogen opportunity in hard-to-abate sectors, where lower-cost hydrogen could support the decarbonisation of steel-making, fertilisers and chemicals, such as methanol as well as hydrogen-derived fuels for shipping. Together, these sectors account for roughly 10–12% of global emissions, depending on boundary definitions. IP Group highlights Hysata's high-efficiency electrolyser technology as a means of improving the economics of green hydrogen production, with the group citing a green hydrogen market opportunity of $135bn by 2032 and $1.4tn by 2050. IP Group highlighted that Hysata is on track to deliver its first commercial-scale unit in 2027. It has recently secured its first binding MW-scale order with a global heavy-industry player.

Other major cleantech holdings include **Nexeon** (a developer of silicon-based anode materials to improve lithium-ion battery performance, £19.8m), **OXCCU** (which is seeking to commercialise a technology of converting carbon dioxide and hydrogen into jet fuel) and fusion energy business **First Light Fusion**.

Exhibit 3: IP Group's operating model



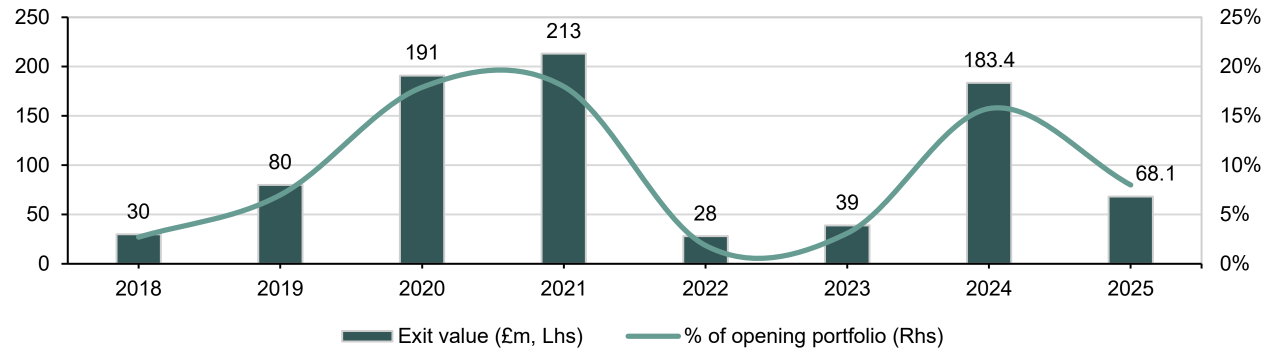
Source: IP Group. Note: Shaded area for each investing entity denotes typical stage of new investments only.

IP Group's management sees a strong exit pipeline ahead

IP Group continues to deliver a meaningful level of realisations (£68.1m in FY25 after £183.4m in FY24, see Exhibit 4). Its portfolio includes a number of companies with good business traction and interest from potential buyers, and management reiterated the target of delivering more than £250m in realisation proceeds between FY25 and FY27, which excludes any potential exit proceeds from its holding in the listed ONT (valued at £102m at end-2025 and the share price of which is down 9% ytd).

A major highlight of IP Group's exit activity in 2025 and early 2026 was the full realisation of Hinge Health, yielding total proceeds of c £35m. Overall, IP Group realised £46.3m from this investment since initial investment (it was a founding investor more than a decade ago), generating a c 50% internal rate of return (IRR) and a 53x multiple on invested capital. Other major realisations included four life sciences companies (Intelligent Ultrasound Group, Centessa Pharmaceuticals, OrganOX and Abliva). Moreover, IP Group sold Monolith (which offers purpose-built AI solutions to transform engineering workflows) for total anticipated proceeds of £24m (of which £3.4m was collected in 2025, and the rest is expected in 2026) to listed hyperscaler CoreWeave (booking a £17.4m gain in FY25 and achieving a c 70% IRR).

Exhibit 4: IP Group's historical realisations



Source: IP Group, Edison Investment Research

IP Group is a 'call option' on Pfizer's anti-obesity programme

Beyond its equity investments, IP Group may benefit from being the owner of IP rights. A recent major highlight in this respect was Pfizer's acquisition of Metsera for up to $10bn in November 2025. IP Group has the potential to generate considerable income from the IP related to anti-obesity drug programmes that it owns and exclusively licenses to Zihipp, which Metsera acquired in 2023.

Metsera's drug candidates represent a multi-billion-dollar revenue opportunity, of which IP Group may receive a low-single-digit percentage amount of royalty income (mostly in the 2030s), on top of which it will collect technical and commercial milestone payments as well as an earnout related to its previous equity investment in Zihipp if the drug passes through clinical trials and is successfully commercialised.

We note that the Metsera-derived pipeline is central to Pfizer's obesity strategy after it discontinued development of its experimental weight-loss pill danuglipron in April 2025 due to safety concerns in clinical trials. We believe that this strengthens the case for IP Group's future income from its IP. To illustrate the return potential for IP Group from its Pfizer/Metsera obesity royalty interest, every 1% payment for a single year based on aggregate peak sales for PF'3944i and PF'3944 & PF'3945 of $8.3bn (see below) reflected in IP Group's portfolio value (based on IP Group management's estimates) represents c 10% of IP Group's current market capitalisation.

As all Metsera-derived products remain at a pre-commercial stage at the moment, we acknowledge the risk that not all of them (or even none of them) may be approved and reach their peak sales (and even if they reach their full sales potential, it may be at different points in time).

Pfizer started late-stage Phase III trials for Metsera's lead obesity drug candidate PF-08653944, now called berobenatide (previously referred to as PF'3944 or MET-097i) in late 2025. Berobenatide is a long-acting Glucagon-like peptide 1 (GLP-1) medicine designed to deliver effective weight loss with fewer injections than current weekly treatments. Pfizer's decision to move into Phase III was supported by encouraging Phase II data, including VESPER-1 results reported in September 2025 and further VESPER-3 data reported in February and June 2026. In its 6 June update, Pfizer said the Phase II results supported berobenatide's potential as a once-monthly treatment, with meaningful weight loss and a favourable tolerability profile, including relatively low levels of gastrointestinal side effects and treatment discontinuations. IP Group's rNPV valuation of PF'3944/berobenatide (£76m fair value at end-2025) assumes a 53% probability of success, a potential launch date in 2028 and peak sales of $3.5bn (see Exhibit 5).

The opportunity for IP Group extends beyond the lead berobenatide programme. Pfizer expects to progress 10 Phase III studies during 2026, with current studies including VESPER-4 and VESPER-5, which test weekly dosing in different patient groups, and VESPER-6, the key monthly dosing study, which is open for enrolment. IP Group also has potential upside from follow-on Metsera programmes. Its end-2025 valuation includes £39m for a combination of berobenatide with PF-08653945, a second weight-loss drug candidate that is being tested both on its own and together with berobenatide in the SOLIS-1 Phase IIb study. IP Group's valuation also includes £12m for a possible oral extension of the PF-3944/berobenatide franchise. Apart from this oral drug, Metsera was also working on MET-224o, a Phase I GLP-1 receptor agonist for chronic weight management, which it had in-licensed and over which IP Group does not have economic exposure. Metsera's intention was to progress one of these drugs. Pfizer's August 2026 pipeline update shows that MET-224o has been discontinued. Pfizer has not provided an update on the oral extension of the PF'3944/

berobenatide franchise, which reduces visibility on the oral optionality embedded in Metsera IP's end-2025 rNPV. However, we note that Pfizer's Q226 results presentation mentions two further injectable drugs now in Phase 1, both of which are Zihipp-sourced. These include Berobenatide Prodrug (PF-08656795/MET-815i), potentially enabling quarterly maintenance for chronic weight management, and MET-034i, a GIPR agonist with potential for enhanced weight loss and metabolic control. While their carrying value in IP Group's NAV is close to zero, we acknowledge the potential for net value expansion as the clinical programmes progress.

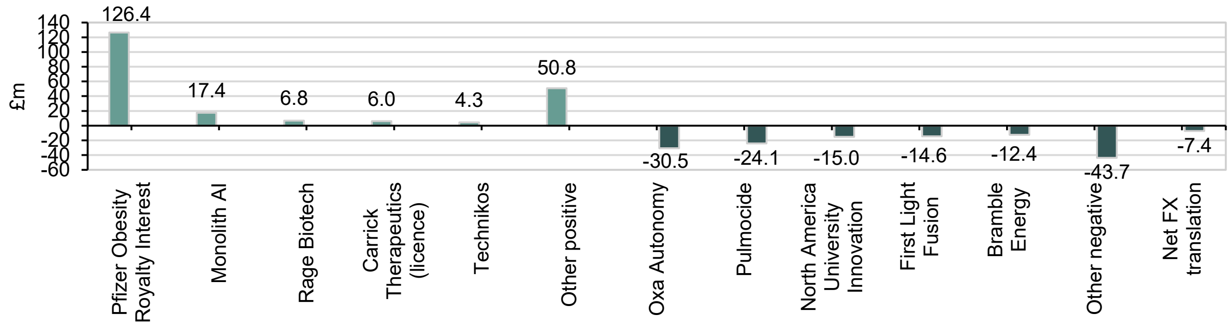
Exhibit 5: IP Group's valuation of Metsera's IP as of end-2025

Source: IP Group
Note: All launch dates, probabilities of success and peak sales reflect IP Group's management estimates. Approval timing reflects IP Group's 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. Pfizer's Q2 2026 R&D update highlights MET-224o as discontinued programme and does not mention the PF'3944o oral-extension component, reducing the visibility of the oral optionality.

Reflecting IP Group's listed holdings (primarily ONT), net cash and other net liabilities in line with end-2025 balance sheet values implies that the current share price (which is at a 38% discount to end-2025 NAV) attaches only c £406m fair value to IP Group's private portfolio (a discount of c 48% to end-2025 valuations). At least 45% of this value (not adjusted for time value of money) is covered by the £182m of expected exit proceeds in 2026–27 as management reiterated its target of more than £250m in proceeds between FY25 and FY27, of which it received £68.1m in FY25. After deducting the FY26–27 proceeds from the value of IP Group's private portfolio implied by the current share price, we arrive at no more than £224m (or 25.3p/share) for IP Group's remaining unrealised private portfolio including the Metsera IP (ie c 38% of its end-2025 fair value).

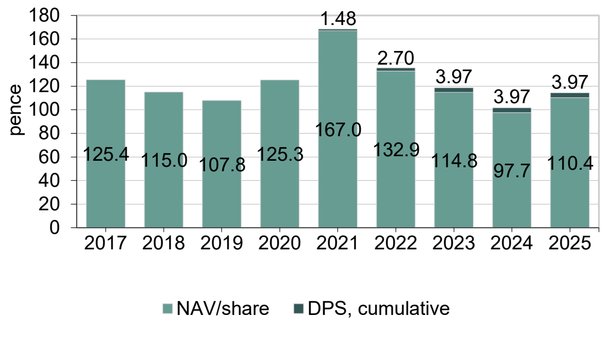
The recognition of £126.4m carrying value of Metsera's IP allowed IP Group to post a 13.0% increase in NAV per share in FY25 (see Exhibit 6). This more than offset the fair value reductions of several holdings, including some related to funding, such as Oxa Autonomy, Bramble Energy (which entered administration in 2025) and First Light Fusion, Pulmocide's failed Phase III clinical study as well as an NAV adjustment (following a review of valuation methodologies in Q325) to IP Group's limited partner position in the North America University Innovation.

Exhibit 6: Breakdown of portfolio fair value changes in FY25



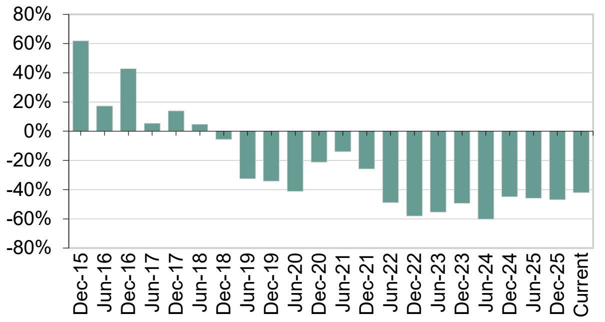
Source: IP Group, Edison Investment Research

Exhibit 7: IP Group's historical NAV per share and cumulative dividends



Source: IP Group, Edison Investment Research

Exhibit 8: IP Group's historical discount to NAV



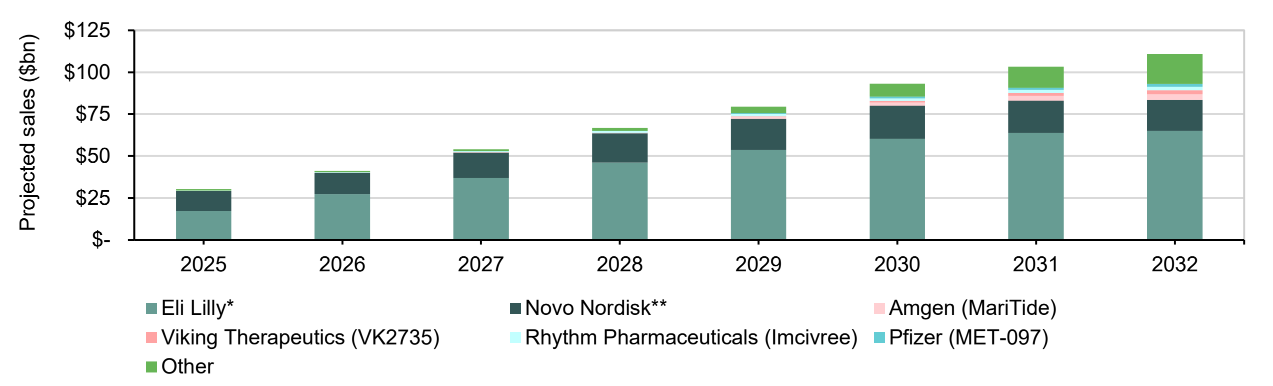
Source: IP Group, LSEG Data & Analytics, Edison Investment Research

Anti-obesity market opportunity remains considerable

The biology underpinning GLP-1 drugs appears broader than weight loss alone. GLP-1 receptors can be found across various tissue types, and obesity is closely associated with cardiovascular disease, chronic kidney disease, metabolic liver disease and obstructive sleep apnoea. This is why key stakeholders (drug developers, investors and patients) are increasingly looking at label expansion opportunities, long-term adherence and evidence that treatment can reduce both the wider clinical outcomes and economic burdens of obesity.

GLP-1 drugs represent one of the largest growth opportunities in the healthcare sector. Market size estimates vary widely because the category is still being built. IQVIA estimates that the global obesity medicines market could reach a broad range of $105bn to $200bn, based on list price sales, from 2027 and beyond. Goldman Sachs, using a different methodology, has more recently increased its 2030 forecast to $114bn from $95bn, highlighting both the scale of the opportunity and the sensitivity of forecasts to various assumptions. While the Goldman Sachs analysis highlighted the role of oral options in expanding the market, it was also noted that monthly to quarterly injectables may be the preferred choice of administration, where ultimately patients will opt for what appeals to them most in this consumer market. In Exhibit 9, we present projected worldwide sales for anti-obesity drugs according to Evaluate Pharma, reflecting various analyst consensus estimates, which imply a healthy 20% CAGR between 2025 and 2032. The market share implied for Pfizer's MET-097 appears conservative. While we would be cautious about drawing firm conclusions from consensus forecasts for a pre-commercial asset in a highly competitive market, this provides some context for IP Group's royalty exposure. We note that even a modest share of a sizeable market could translate into meaningful income, if the relevant products are approved and commercialised successfully.

Exhibit 9: Projected worldwide sales of leading anti-obesity drugs



Source: Evaluate Pharma. Note: *Includes Zepbound, Foundayo, Mounjaro, Eloralintide and Retatrutide. **Includes Wegovy, Oral Wegovy and Cagrisema.

While Novo Nordisk and Eli Lilly have defined the market to date, the bar in terms of patient outcomes is still being raised and attracting increasing competition. Despite the progress, the market remains far from fully addressed. Current injectable drugs are effective for many patients, but there is room to improve efficacy, reduce nausea and vomiting, preserve lean mass, optimise dosing frequency and offer oral alternatives. Notably, Novo's oral Wegovy pill (launched in the US in January 2026) and Lilly's oral Foundayo (which reached the US market in April 2026) are already paving the way on this front. There is also a growing opportunity to treat obesity related conditions more directly. Wegovy's cardiovascular label expansion and Zepbound's approval for obstructive sleep apnoea show how anti-obesity drugs can move into adjacent disease areas, strengthening the case for reimbursement where outcome data are sufficiently robust. The next phase of competition is therefore likely to become increasingly focused on which products are best suited to different patients and stages of treatment.

This is the key reason why many pharmaceutical and biotechnology companies are trying to push the field forwards. Beyond Novo and Lilly, Amgen is developing MariTide, a conjugate combining GLP-1 receptor agonism with gastric inhibitory polypeptide (GIP) receptor antagonism, and Roche has moved deeper into the space through Carmot and its collaboration with Zealand Pharma on petrelintide (both exploring novel mechanisms of action). AstraZeneca has sought access through oral innovation and a focus on organ-protective aspects, while China has become an increasingly important source of both demand and development activity.

For Pfizer, the attraction of Metsera appears to be this same need for differentiation. Pfizer described the acquisition as adding highly differentiated clinical-stage drug candidates, including weekly, monthly and even quarterly injectable treatment options, an oral GLP-1 candidate (please refer to our discussion of the developments above) and additional nutrient-stimulated hormone therapeutics. For IP Group, whose exposure is linked to the Metsera derived intellectual property, the opportunity is therefore not simply participation in a large market. It is exposure to a programme designed to address some of the market's most important remaining gaps, particularly dosing convenience and the need for differentiated long-term obesity management.

Good progress across several other healthtech holdings

There were several notable developments recently across IP Group's private healthtech holdings beyond the above-mentioned Pfizer-Metsera deal.

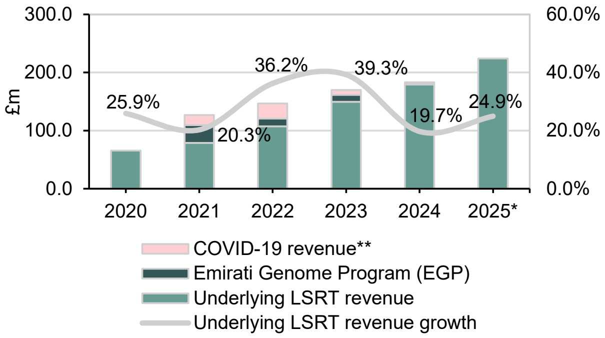
Oxford Nanopore: On track to reach break-even, according to management

ONT, which was IP Group's second-largest holding at end-2025 (11% of portfolio value), has recently made progress in further scaling its business through significant revenue growth, alongside gross margin expansion and disciplined cost control, and its management recently reiterated its targets of reaching adjusted EBITDA break-even in FY27 and becoming cash flow positive in FY28.

ONT's revenue grew at constant currency by 24.2% to £223.9m in FY25, a rate that was slightly ahead of management's last guidance of 20–23% growth, released at the time of the H125 results. Despite slower revenue growth in H126 at c 10% (or 12% at constant currency), management expects a broadly similar growth rate of 21–25% in FY26, which ONT believes is an above-market growth rate, but which represents a reset of earlier expectations, as it previously guided to a revenue CAGR of over 30% between FY24 and FY27. Management noted that the guided FY26 top-line growth includes additional collaboration and licensing revenue opportunities expected to be recognised in H226, some of which are non-recurring. Excluding these revenue opportunities, management expects revenue growth of 16–20% in FY26. Growth should be underpinned by the gradual diversification away from the core research market (66% of revenue in 2025), which faced headwinds including weaker demand in China amid US semiconductor export restrictions, into industrial (12%), clinical (13%) and biopharma (8%) markets.

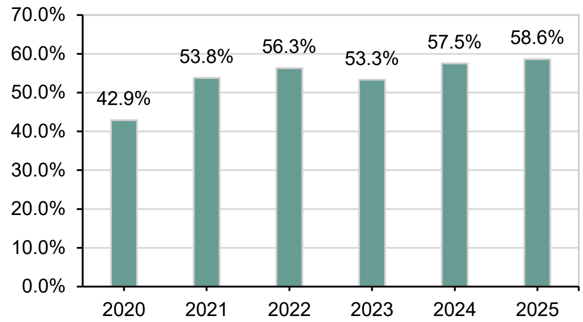
ONT's gross margin expanded from 57.5% in FY24 to 58.6% in FY25 (or 59.4% excluding its restructuring measures), and management guides to a further increase to 62% in FY26.

Exhibit 10: ONT's top-line development



Source: ONT; Note: *Total revenue; **Excluding non-recurring testing revenue. LSRT - Life Science Research Tools.

Exhibit 11: ONT's gross margin evolution

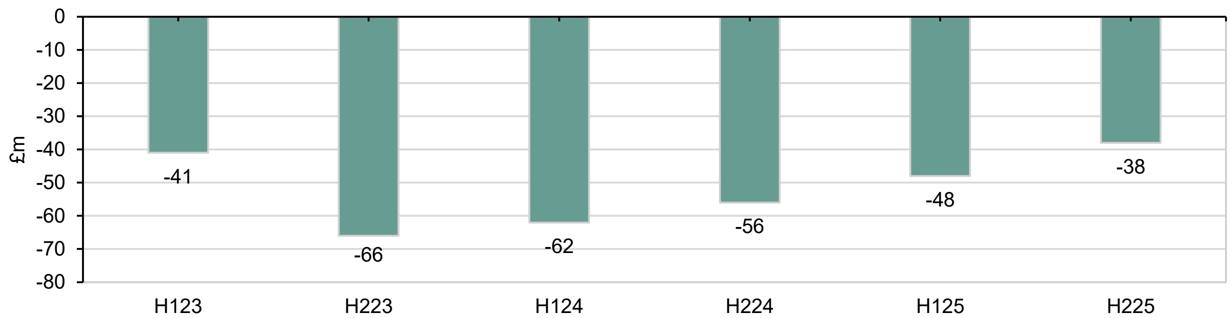


Source: ONT

ONT also expects growth in adjusted operating expenses between 0% and 5%, aided by the strategic realignment implemented in November 2025, coupled with continued focus on business efficiency and non-headcount related expenses. Management expects this to lead to a further reduction in the adjusted EBITDA loss in FY26 following the progress made in recent years (see Exhibit 12).

The company also highlighted a meaningful improvement in its cash profile in FY25 (a £33.2m y-o-y improvement in operating cash flow before working capital to -£79.1m) on the back of its new pricing model. ONT's cash stood at £234.5m at end-June 2026 versus £302.8m at end-2025 and £403.8m at end-2024, and management highlighted that ONT is well funded to deliver against its targets.

Exhibit 12: ONT's adjusted EBITDA loss



Source: ONT

There has recently been an important leadership change, with Francis Van Parys joining the company as CEO and executive director and succeeding Gordon Sanghera, who led the company since inception in 2005 and who will remain an employee in an advisory capacity through to early 2027, to ensure a smooth handover.

We note that EIT Oxford Holdings, an investment vehicle of Larry Ellison (the tech investor who co-founded Oracle), is now ONT's largest shareholder with a c 17.5% stake, followed by IP Group (7.8%), Tencent (6.5%), BioMerieux (6.1%) and Novo Holdings (5.4%).

Inflammation: Istesso's promising results in musculoskeletal repair

IP Group holds several life sciences companies targeting inflammatory diseases, the largest of which is **Istesso** (with IP Group's stake, excluding a £3.4m repayable loan, valued at c £90m or 10% of total portfolio value at end-2025). In early 2025, Istesso announced results from its Phase IIb clinical trial of leramistat in rheumatoid arthritis (RA). The study did not meet its primary endpoint of improvement in ACR20 response versus placebo. However, leramistat demonstrated a statistically significant reduction in bone erosions, the key secondary endpoint, as well as improvements in disability and fatigue. Subsequent analysis also suggested a potential muscle-protective effect.

As a result, Istesso has refocused leramistat's development around musculoskeletal repair, including secondary sarcopenia, while retaining potential relevance in RA combination therapy. IP Group indicates that the Phase IIb data have led to a fresh Phase II/Phase IIb trial to evaluate leramistat's potential to repair the musculoskeletal system. Patient dosing has already started and IP Group expects a trial readout in 2027.

Separately, Istesso published encouraging peer-reviewed data in *The Journal of Pharmacology and Experimental Therapeutics*, demonstrating that its class of orally administered mitochondrial Complex I modulators can elicit tissue-repair responses in preclinical models of fibrotic, autoinflammatory and autoimmune disease. This remains early-stage/ preclinical evidence, but it provides mechanistic support for Istesso's broader tissue-repair strategy and for the rationale behind the ongoing musculoskeletal-repair clinical programme for leramistat.

In April 2026, Istesso announced further preclinical data showing that leramistat improved muscle quality and function and protected muscle mass in mouse models of ageing and inflammation, which further supports the company's focus on sarcopenia and chronic-disease-related muscle loss, but does not yet constitute clinical proof of efficacy in those indications.

Some of IP Group's other major holdings in the inflammation space include:

- **Mission Therapeutics** (£26.2m fair value at end-2025), which expects to complete its Phase Ib clinical trial of its USP30 inhibitor MTX325 in Parkinson's disease in 2027. The company also announced an agreement with Dimerix for the development of MTX652, its Phase II-ready acute kidney injury programme, worth up to $292m in upfront, development and commercial milestones, plus tiered royalties on future sales.
- **Atisama Therapeutics** (£15.9m), formerly named Rage Biotech, which is running a Phase I trial for its inhaled RB042 lead drug in healthy volunteers and healthy smokers for safety, tolerability, pharmacokinetics and pharmacodynamics, with expected trial completion in 2027, and
- **Apollo Therapeutics** (£6.8m), which reported positive Phase IIa results in 2025 for camoteskimab in atopic dermatitis.

Oncology: Two recent positive trial developments

Within IP Group's oncology portfolio, there were two notable developments recently:

- **Artios Pharma** (£13.2m) reported a positive Phase I/IIa readout for ART0380 (alnodesertib) and first Phase I/IIa data for ART6043, both in advanced solid tumours,
- **Iksuda Therapeutics** (£10.9m) reported encouraging Phase I data for IKS014, its HER2-targeting antibody-drug conjugate, in advanced HER2-expressing solid tumours, including breast and oesophageal cancers. After the period end, Iksuda also received US FDA Investigational New Drug clearance for IKS04, providing a further clinical-development milestone for the company.

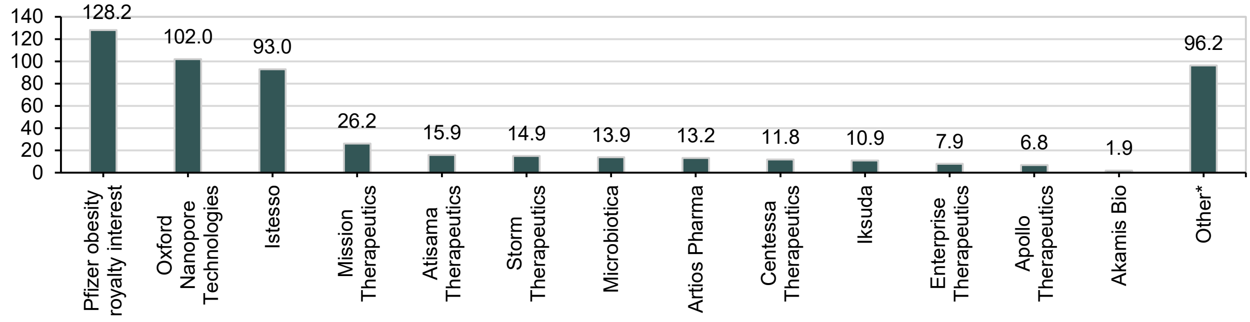
Furthermore, IP Group expects Storm Therapeutics (£14.9m), another oncology company, to complete its Phase I/II trial in 2026.

Other indications: A positive readout from Enterprise Therapeutics

Other major developments across IP Group's healthcare portfolio include positive Phase II clinical data from Enterprise Therapeutics (£7.9m) for ETD001, its lead candidate for cystic fibrosis. Following the readout, the company outlined plans to advance ETD001 into longer-duration Phase IIb studies, both as a standalone therapy and in combination with CFTR modulators, and to explore its potential in other muco-obstructive lung diseases with high unmet need. Moreover, Microbiotica (£13.9m) reported positive Phase Ib trial data in ulcerative colitis, with a 63% clinical remission rate versus 30% for placebo after three months.

Finally, in June 2026, Eli Lilly completed its acquisition of Centessa Pharmaceuticals, whose lead narcolepsy asset, cleminorexton/ORX750, had been one of the key assets underpinning Centessa's investment case. The transaction provides cash consideration and a contingent value right linked to future FDA approvals, underlining the external strategic value of the programme.

Exhibit 13: IP Group's healthtech holdings at end-2025 (fair value in £m)



Source: IP Group. Note: *May include holdings larger than some of the individual holdings presented in the exhibit, for which IP Group did not disclose fair values as of end-2025.

Scale-up capital to support companies in their rapid growth phase

IP Group leverages a wide investor network to provide capital to its portfolio companies, with only c 8% of the capital raised across its portfolio in FY25 contributed by IP Group itself. Most of this additional capital has come from strategic corporate investors, EIS investors, universities and institutional investors. Importantly, £557m in third-party capital is managed by entities in which IP Group is invested, most notably Parkwalk Advisors (one of the top investors in UK spinouts, which raised an additional £29m in 2025) and IP Group Hostplus Innovation Fund (an A$435m mandate following the previously announced additional A$125m allocation by Hostplus). IP Group's third-party assets under management declined from £678m at end-2024 due to several portfolio realisations.

IP Group derives regular fee income from these assets under management, which, together with licensing and patent income, amounted to £7.4m in FY25 (FY24: £5.5m) and covered c 35% of its operating expenses (excluding share-based payments and carried interest plan charges).

IP Group aims to expand its ecosystem by growing its fee-generating third-party capital under management. This would allow IP Group to better support its portfolio companies beyond the early development stage. Management recently highlighted good traction of scale-up capital discussions. The prospect of allocating at least 10% of defined contribution funds to private markets by 2030 (with at least 5% allocated to UK assets), according to the Mansion House Accord signed by major UK pension firms, represents a potential significant tailwind. We note IP Group's announced collaboration with Aberdeen to manage a portfolio of early-stage and growth investments in the UK, which for now involves limited capital, but, if successful, could ramp up substantially.

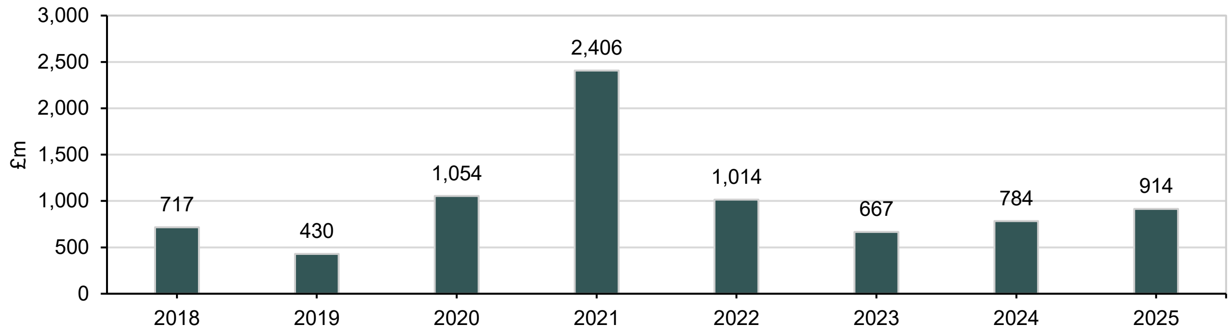
Moreover, IP Group recently announced a new fund with Australia's Clean Energy Finance Corporation (CEFC) to support Australian cleantech companies. It will target seed and Series A investments in areas including industrial processes (cement, steel and chemicals), mineral processing and supply chain, heavy transport (aviation, shipping and freight), energy-efficient AI and data centres, agriculture and land use, as well as dispatchable energy and grid balancing. The target size of the fund is A$150m and it already reached its first close, with A$30m and A$20m contributed by IP Group and CEFC as cornerstone investors, respectively (fund-raising from third-party investors is in progress).

Several new funding rounds, but progress remains uneven

IP Group's portfolio companies raised £914m in total in 2025, up 17% versus £784m in 2024, though the increase was aided by Hinge Health's IPO (£204m). Management describes the funding environment as challenging throughout 2025, as illustrated by the meaningful share of down rounds at 31% (eight out of 26 funding rounds), broadly in line with the 32% in 2024. Up rounds represented 54% of funding rounds by count in 2025 (vs 52% in 2024).

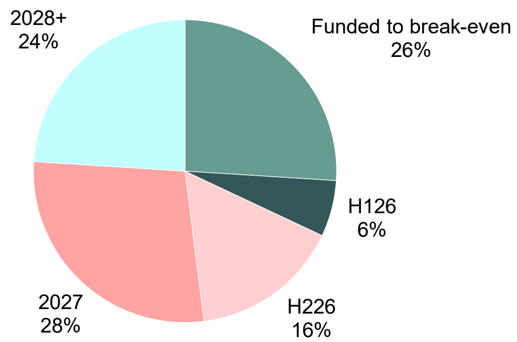
Oxa completed the first close of its $103m series D round, backed by the UK's National Wealth Fund and NVentures, the venture capital arm of NVIDIA. Artios Pharma raised $115m in an oversubscribed series D funding round following the above-mentioned positive clinical study readouts, allowing for Phase II expansion cohorts in pancreatic and colorectal cancer (although the round resulted in a £9.4m downward fair value adjustment for IP Group). Other major funding rounds in 2025 included OXCCU (£20.75m), AccelerComm ($15m) and Lumai ($10m). IP Group's portfolio (holdings with a fair value of more than £4m) remained well-funded overall at end-2025, with 26% of holdings by value funded to break-even, 24% funded to 2028 or beyond, and 28% funded until 2027 (see Exhibit 15).

Exhibit 14: Capital raised across IP Group's portfolio



Source: IP Group

Exhibit 15: IP Group's portfolio breakdown by cash runway at end-2025



Source: IP Group. Note: Includes portfolio companies in which IP Group's investment holding value is greater than £4m.

A major highlight in 2026 so far has been significant funding rounds of two of IP Group's quantum computing holdings discussed above. We also note that First Light Fusion announced in April 2026 that it completed a £25m first close of its latest funding round, led by East X Ventures and its Starmaker One fund alongside a strategic investment from the UK Atomic Energy Authority (UKAEA). Existing shareholders, including IP Group and Hostplus-managed funds, also participated. Following the close, IP Group retains an undiluted beneficial interest of 28.3% in First Light, with a further 17.3% held via its managed funds. The round will accelerate the commercial development of First Light's FLARE Fusion Energy concept, a reactor-compatible approach to Inertial Fusion Energy that targets a simpler and lower-cost pathway to fusion power. The involvement of the UKAEA as a strategic investor is notable, providing both third-party validation of the technology and alignment with the UK government's long-term energy ambitions.

As highlighted in our previous research on IP Group, First Light Fusion has been seeking to secure external funding following its pivot to a capital-light business model. As such, this successful first close represents a meaningful inflection point for the company. The participation of a specialist fusion investment fund alongside a government-backed authority further underscores growing confidence in the commercial viability of the FLARE concept.

Capital discipline and exits fuelled buybacks

IP Group remained disciplined in its capital allocation with £70.5m invested across 31 portfolio companies in FY25, a volume similar to its realisation proceeds last year. The vast majority was invested into existing holdings, most notably Oxa Autonomy (£7.5m), Artios Pharma (£5.4m), RAGE Biotech (£5.4m) and First Light Fusion (£5.0m). IP Group has demonstrated good cost control with net overheads declining by 20% versus FY24 to reach 1.6% of NAV. Overall, IP Group's net cash reached £88.3m (and gross cash stood at £211.0m) at end-2025. IP Group has £120m of private debt funding at fixed interest rates ranging from 5.21% to 5.30%, which matures in equal tranches in December 2027, December 2028 and December 2029.

The sustained meaningful level of realisations supported NAV-accretive share repurchases, which IP Group has prioritised over dividends since 2024, especially given that the discount to NAV has remained above 20%. IP Group spent £45.7m in FY25 on retiring 9.4% of the share capital (as part of a £75m programme), and has a further £30m in cash accumulated from exits for future share repurchases (it allocated 50% of the FY25 exit proceeds to buybacks). However, we note that, at the last AGM, the resolution to authorise the company to carry out further share repurchases failed.

Approach to ESG

ESG and impact remain central to IP Group's investment model, rather than a separate overlay. The group's purpose is to accelerate the impact of science for a better future, with capital focused on healthtech, deeptech and cleantech companies that can contribute to healthier lives, a tech-enriched economy and a regenerative future. This thematic approach is underpinned by a formal governance framework: the board oversees ESG and climate matters, the CFOO chairs the ESG Committee, and the Ethics Committee monitors compliance with the group's Ethical Investment Framework, which is embedded in the investment process and portfolio stewardship. IP Group also aligns its investment activity with the UN Sustainable Development Goals, including health, clean energy, innovation, sustainable cities and climate action. Operationally, its own carbon footprint and climate-risk exposure remain low, with a target to become net zero by 2030, supported by TCFD and SECR reporting. The group's ESG credentials are externally recognised, with IP Group rated AAA by MSCI, Top-Rated by Sustainalytics and PRIME by ISS ESG.

Board

IP Group's board combines public-company governance, financial, investment, technology, communications and healthcare experience. At 31 December 2025, the board comprised a non-executive chair, four non-executive directors, as well as two executive directors (Greg Smith, IP Group's CEO and David Baynes, CFOO). On 7 May, IP Group announced the appointment of Michael Queen as non-executive director and chair designate. Michael succeeded Sir Douglas Flint, CBE (who retired from the board after almost eight years of service) as chair following the company's AGM on 18 June 2026. Michael Queen, who was formerly CEO of 3i Group, brings extensive investment and leadership experience to the role. He currently serves as chair of Coller Capital and Thames Tideway Tunnel and as a non-executive director of TAQA, a Middle East-based industrial group. The appointment concludes the chair succession process announced last year.

Sir Douglas Flint, CBE, has chaired IP Group since 2018 and brings extensive UK public-company, financial and governance experience. He was formerly group chairman of HSBC, having previously spent 15 years as HSBC's group finance director, and also chairs Aberdeen. **Aedhmar Hynes** brings deep experience in technology disruption, digital transformation, marketing and strategic communications, including as former CEO of Text100. **Dr Caroline Brown** contributes accounting, audit, banking, investment and technology experience, with a long track record as an operating CFO/COO and audit and risk committee chair. **Heejae Chae** brings finance and industrial leadership experience, having held senior roles at The Blackstone Group and Credit Suisse First Boston and former CEO roles at Scapa Group and Volex Group; he chairs the Remuneration Committee. **Anita Kidgell** brings more than 25 years of pharmaceutical and strategic experience, including senior corporate strategy, investor relations and communications roles at GSK.

Except for the chair designate, the company's current non-executive directors are considered independent; the non-executives provide challenge and oversight across strategy, portfolio valuation, remuneration, risk, audit, succession and stakeholder engagement, with Aedhmar Hynes also acting as senior independent director and designated non-executive director for employee engagement.

Exhibit 16: IP Group's board of directors

Director	Date of appointment	Remuneration in FY25 (£)
Michael Queen (chair)*	07-May-26	N/A
Aedhmar Hynes	01-Aug-19	78,000
Dr Caroline Brown	01-Jul-19	78,000
Heejae Chae	03-May-18	78,000
Anita Kidgell	18-Jan-23	58,000

Source: Company data. Note: *Chair since June 2026.

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