



HALF YEAR RESULTS – 2ND AUGUST 2023

**For a future
made possible
by science.**

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Continued
portfolio
progress

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Summary
and Q&A



01

Overview

Continued portfolio progress
and well-funded Group

Context.



Short-term headwinds remain challenging:

Global venture deal volumes and values remain lower vs 2020/21

Disruption to ecosystem from Silicon Valley Bank

Exit activity at multi-year lows



Longer term, science and innovation is the big growth driver:

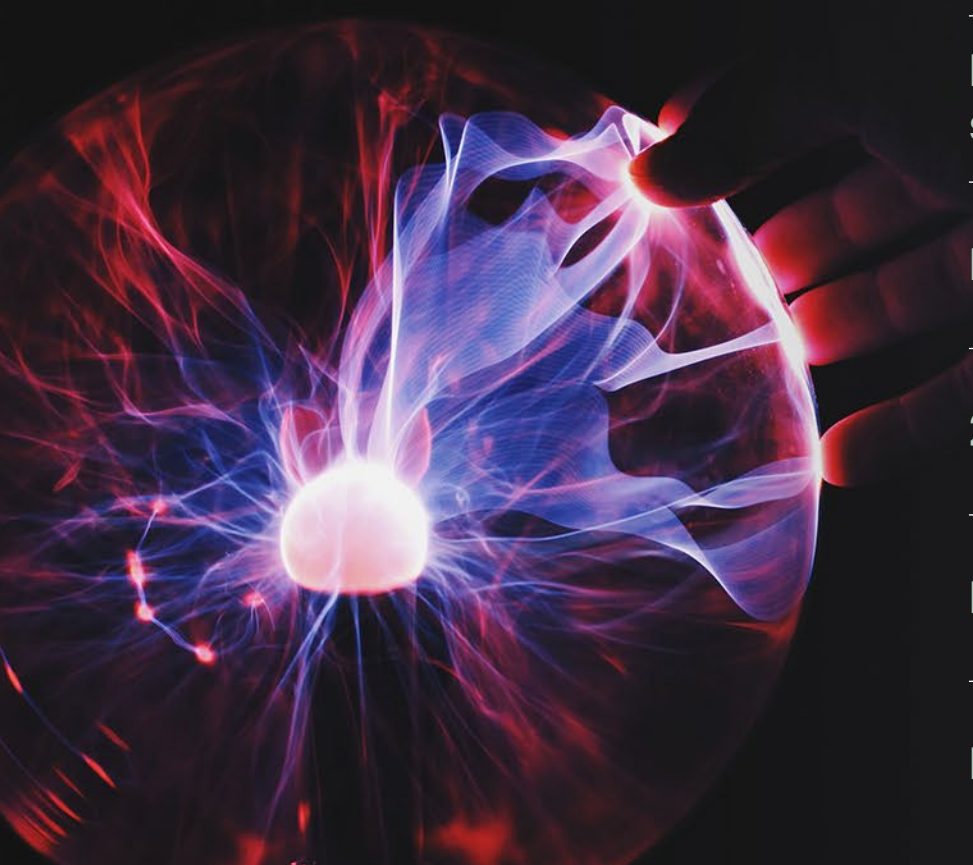
Drive to achieve net zero targets

Disruptive potential of AR, AI and other technologies

Healthcare shifting from treatment to prevention and cure

UK science superpower agenda

IP Group: investments with impact.



A leader and pioneer in “deep tech” investing

Extensive access to science & innovation

Deep sector expertise

20-year track record

Impact at our core

Flexible capital model

UK’s most active, Europe’s 2nd most active investor².

UK, US, Australia & NZ.

World-leading academic institutions

Clear thematic focus.

Experience over multiple cycles

3 unicorns created.



500+ companies backed.

Delivering social and environmental benefits, aligned with SDGs

£2bn of assets³.

Balance sheet (LSE:IPO)+ 3rd party funds

1. Deep tech refers to the sectors we invest in: life sciences, technology and cleantech

2. PitchBook: Deep tech investments over past 5 years, in VC rounds > £1.5m, excludes accelerators and government backed entities

3. £1.3bn NAV + £700m 3rd party AUM as of 30th June 2023

Half Year Overview.

Continued
progress in
underlying
business and
strategy

Headline
financial result
reflecting
challenging
macroeconomic
environment

Strong balance
sheet maintained

£59.8m.

Investment into
portfolio

£300m.

Capital raised by
portfolio

(£54.5m). **126.7p.**

HY Loss

NAV per share

£250m.

Gross Cash

£32.2m.

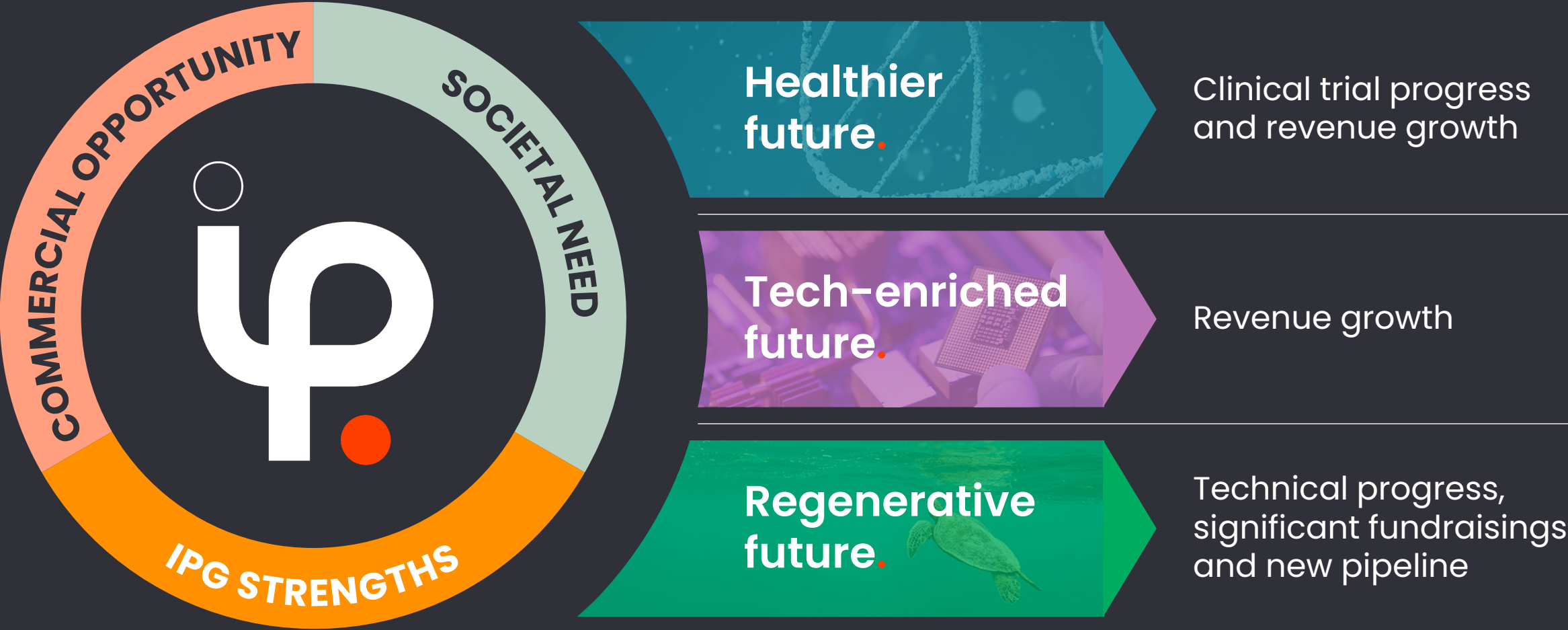
Realisations































02

Continued portfolio progress

Investment themes and value drivers.



Healthier future: multiple clinical readouts.

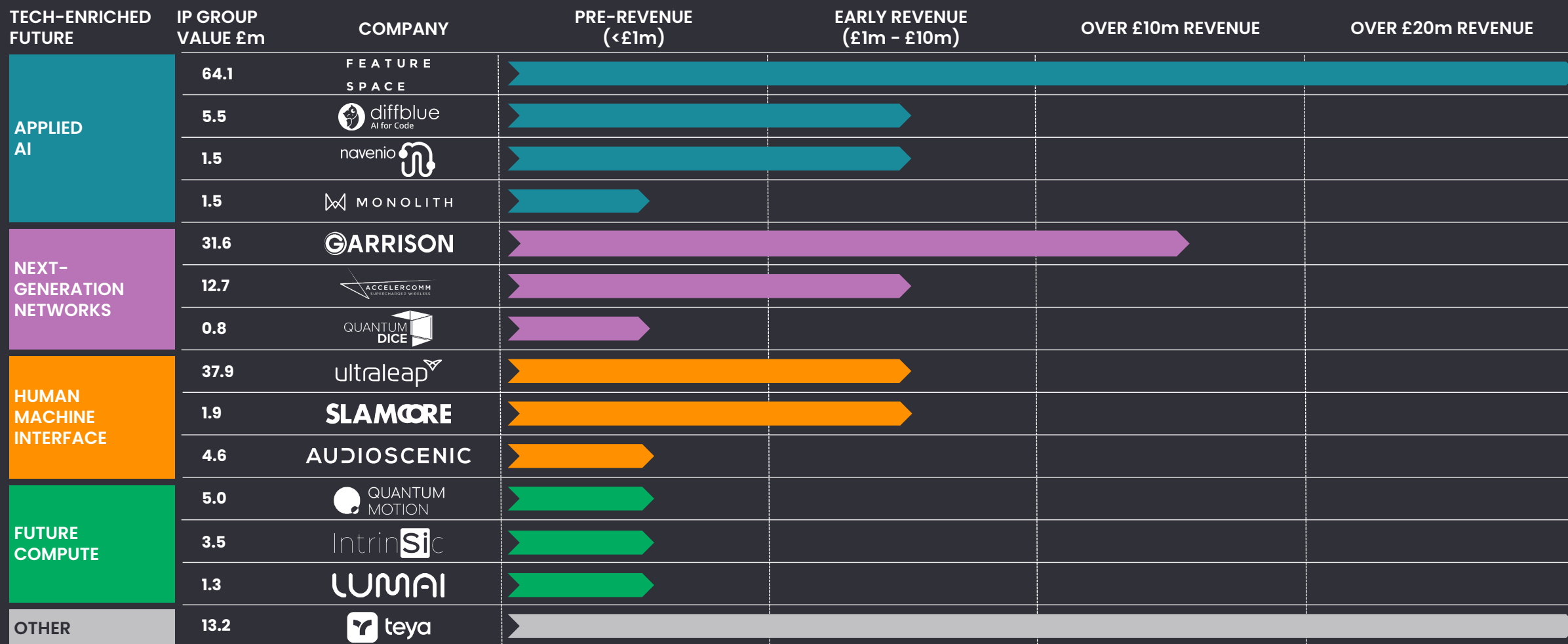
THERAPEUTICS PORTFOLIO	IP GROUP VALUE £m*	COMPANY	PRE-CLINICAL	PHASE 1	PHASE 2	PHASE 3
ONCOLOGY	18.1					
	18.7					
	21.2					
	10.9					
	9.4					
	11.5	 1				
	16.1	 2				
INFLAMMATION	113.8					
	18.8					
	20.2					
	2.5					
OTHER	14.3	 INHALED RESPIRATORY MEDICINE				
	12.3					
	7.8					

* Based on valuation of IP Group's stake in company at 30/06/23, including debt where applicable, and value held in IP Group's North American portfolio.

1 Should move from preclinical to Phase 1 within 18 months

2 Should move from preclinical to Phase 1 within 18 months

Tech-enriched future: delivering revenue growth.



Regenerative future: Kiko Ventures.



Building on success.

Huge need and market opportunity

Highly experienced team



Driving value from core holdings.

Value focussed within a small number of companies

Historic gross IRR in excess of 30%



Investing for the future.

Building reputation

Selective new pipeline



Update on key inflection points.



istesso

GENOMICS

Life Sciences

Clinical trial progress and revenue growth

GARRISON

FEATURE SPACE



Technology

Revenue growth



Cleantech

Technical progress, significant fundraisings and new pipeline

istesso



From disease modification to disease resolution.

- Phase 2b trial for rheumatoid arthritis, a \$25bn¹ market, on target; results expected 1H24
- FDA fast-track and orphan drug designation for the treatment of idiopathic pulmonary fibrosis (IPF), a \$4bn² market and condition of high unmet need
- Launching IPF phase 2 second half 2023 with regulatory approval received; results expected second half 2024
- IP Group provided £15m, committing up to £25m in total, fully funding both trials

£113.8m.	56.5%.
IPG Value	IPG %

¹ Based on Berenberg DrugBank analysis and GlobalData
² Based on Citeline data

Ultra-secure browsing.

- Garrison has developed and is selling an ultra-secure isolation technology protecting against cyber attacks, particularly ransomware and phishing attacks
- IP Group has invested £13.8m to date alongside Dawn Capital, BGF and NM Capital
- Company is growing well, revenues to March 2023 were c.£20m. Over the last 4 years the company has grown strongly, averaging 64% YoY
- Large and increasing presence in the US
- The company has just raised an oversubscribed £15.5m funding round, with investments from new investors Legal and General Ventures and British Patient Capital

£31.6m.

IPG Value

23.6%.

IPG %

Redefining the economics of green hydrogen.

- Revolutionary electrolyser delivering world leading 95% system efficiency
- Strong global sales pipeline and bluechip partners
- World class team including talent from Apple, Tesla, BHP, Tritium, McKinsey, BCG
- Highly scalable manufacturing
- Raised A\$42.5M Series A in July 2022
- Company ahead of time and budget on delivering major technical milestone

£31.3m.	36.8%*
IPG Value	IPG %

* Holding % is 53.8% post conversion of loans



03

Financial results

Strong balance sheet
with well-funded portfolio

Summary financials.

Gross Cash.

£250m
(FY22 £241.5m)

NAV.

126.7pps (FY22 132.9pps)

£1,314m
(FY22 £1,376m)

Loss in Period.

£20m loss excluding ONT

(£55m)
(HY22 (£310m))

Interim Dividend.

0.51pps
(HY22 0.5pps)



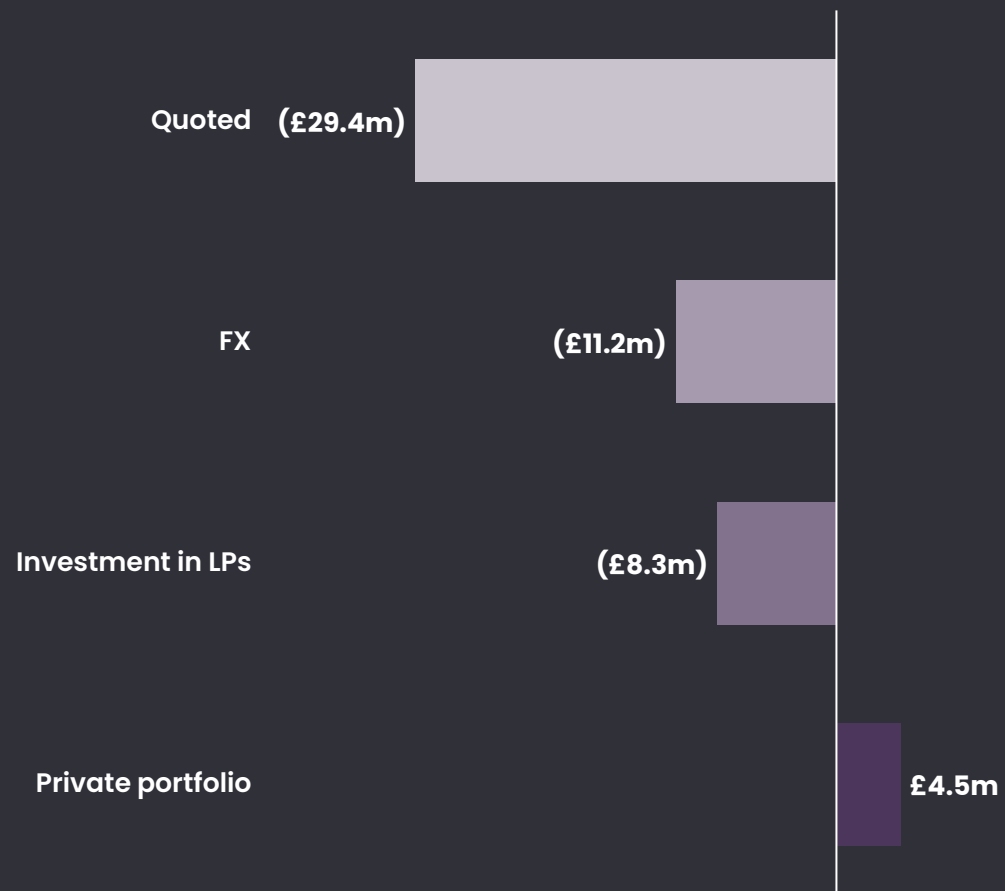
We see our strong balance sheet as a strategic asset in difficult markets: with £450m+ total potential liquidity we are well placed to support our portfolio and take advantage of attractive investment opportunities.

David Baynes
CFOO

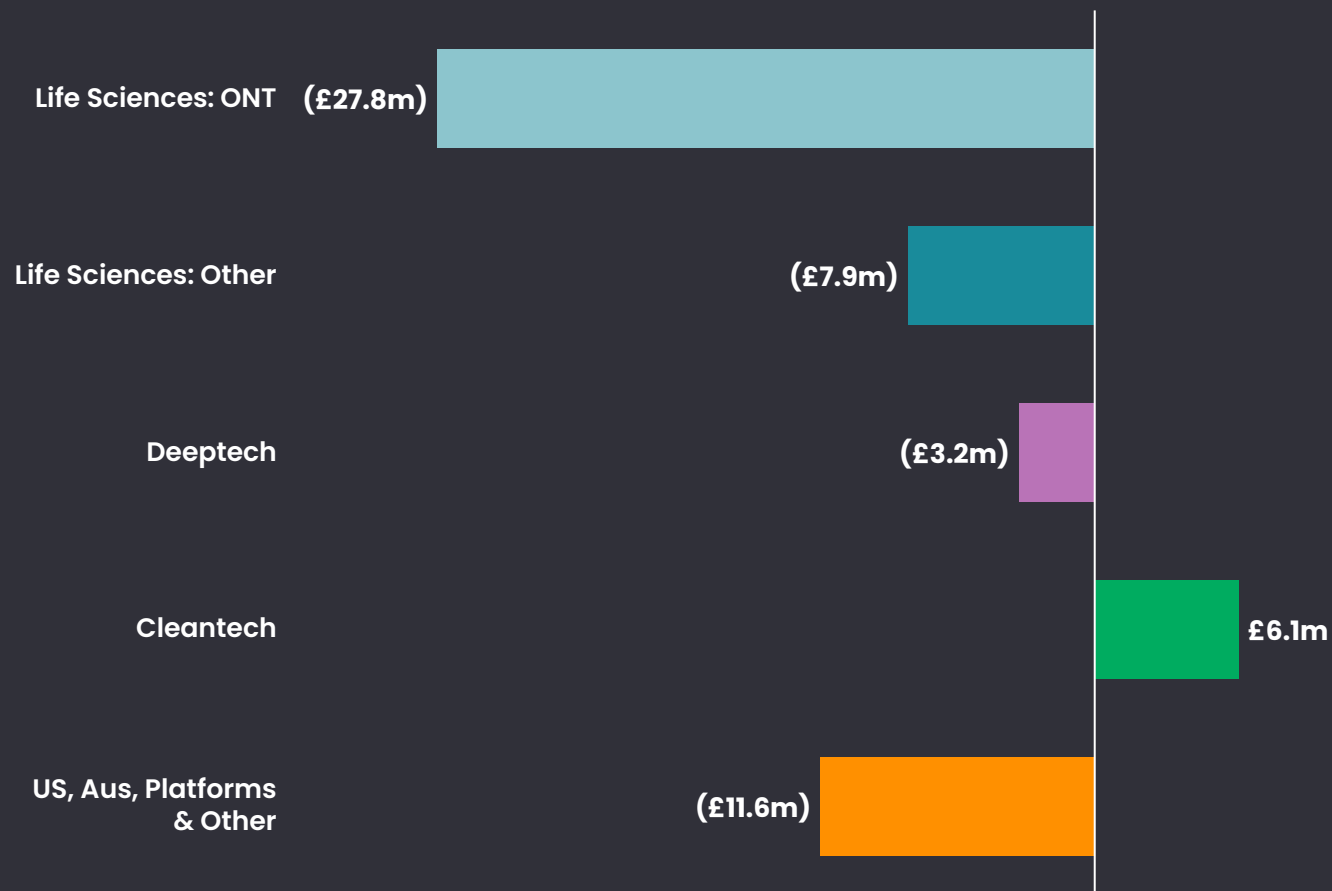


Portfolio performance summary.

Quoted/private fair value movement split :

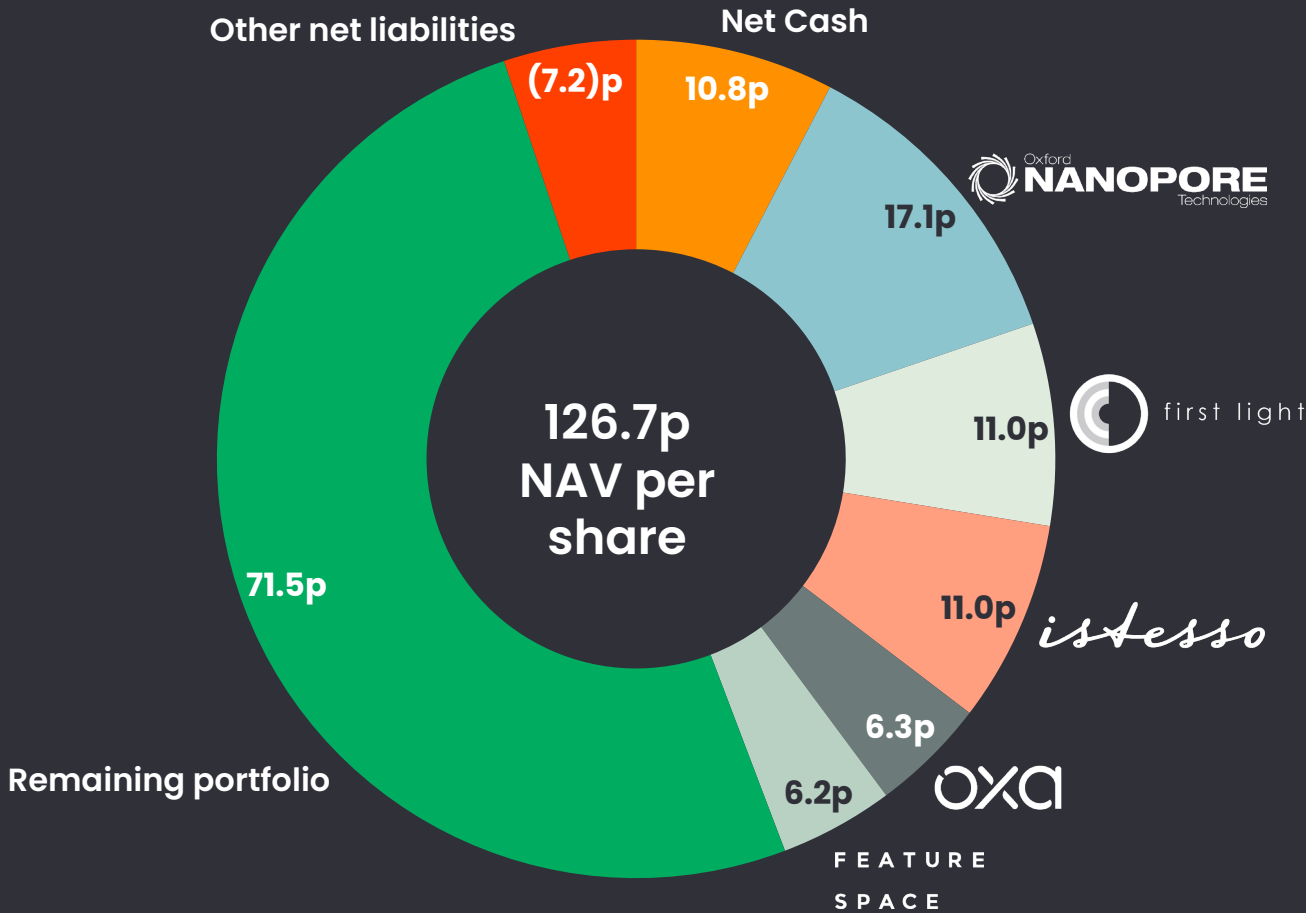
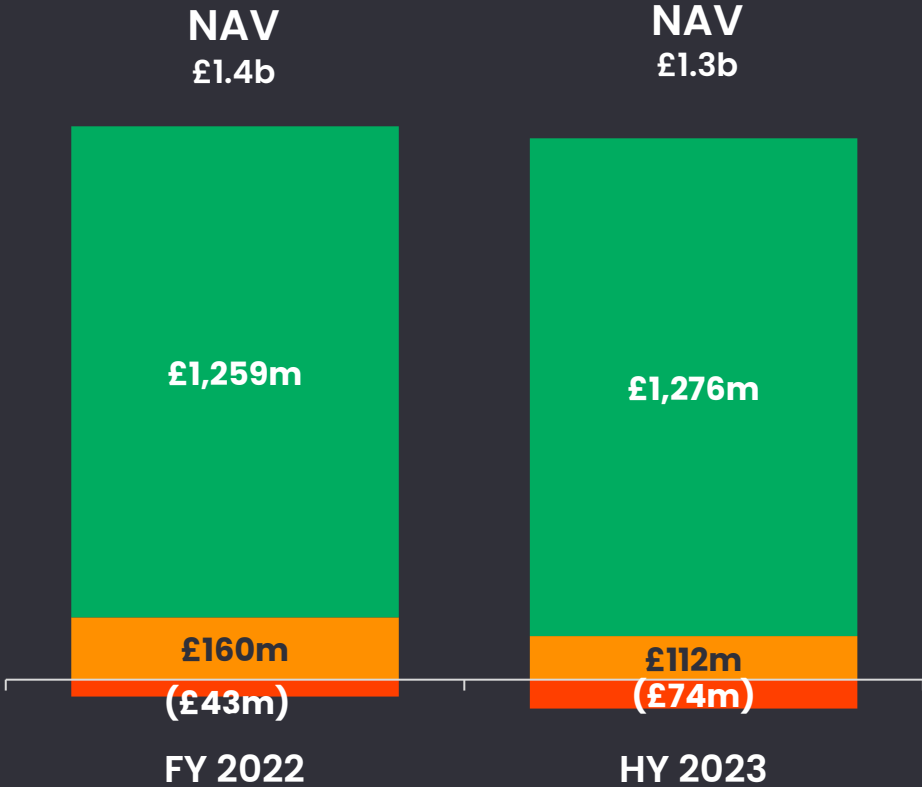


Net portfolio loss by sector (£44.4m):



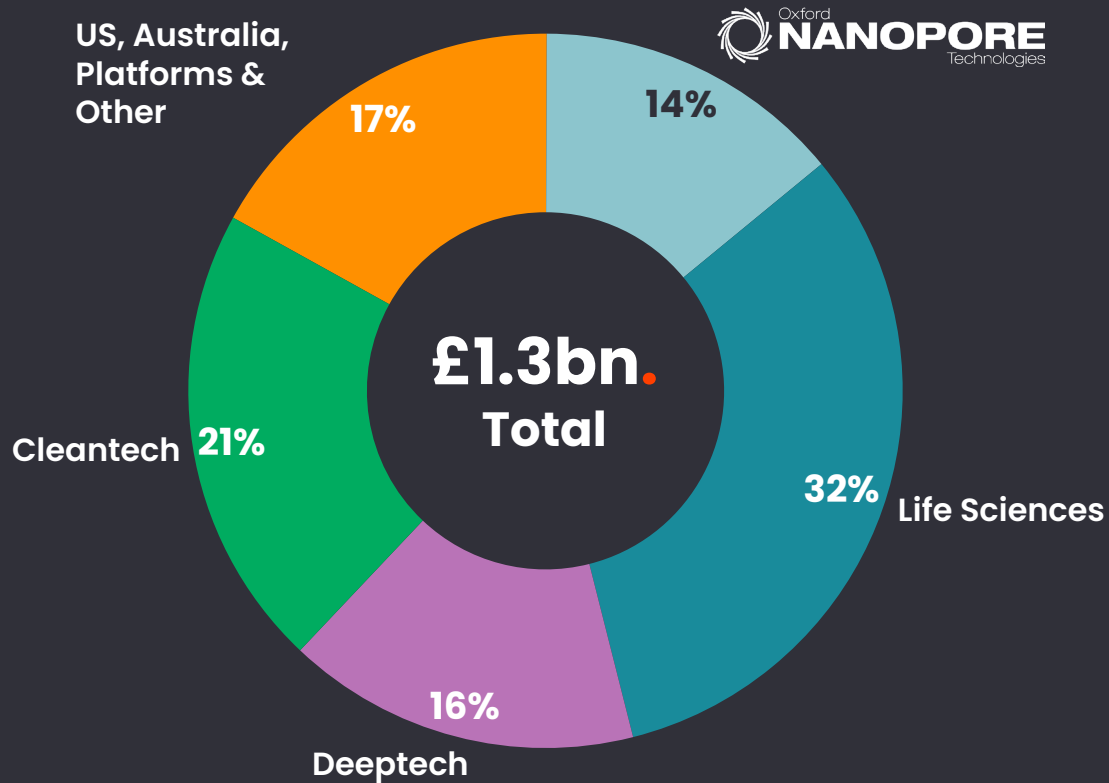
Results: Balance sheet – net assets.

- Portfolio
- Net Cash
- Other net liabilities

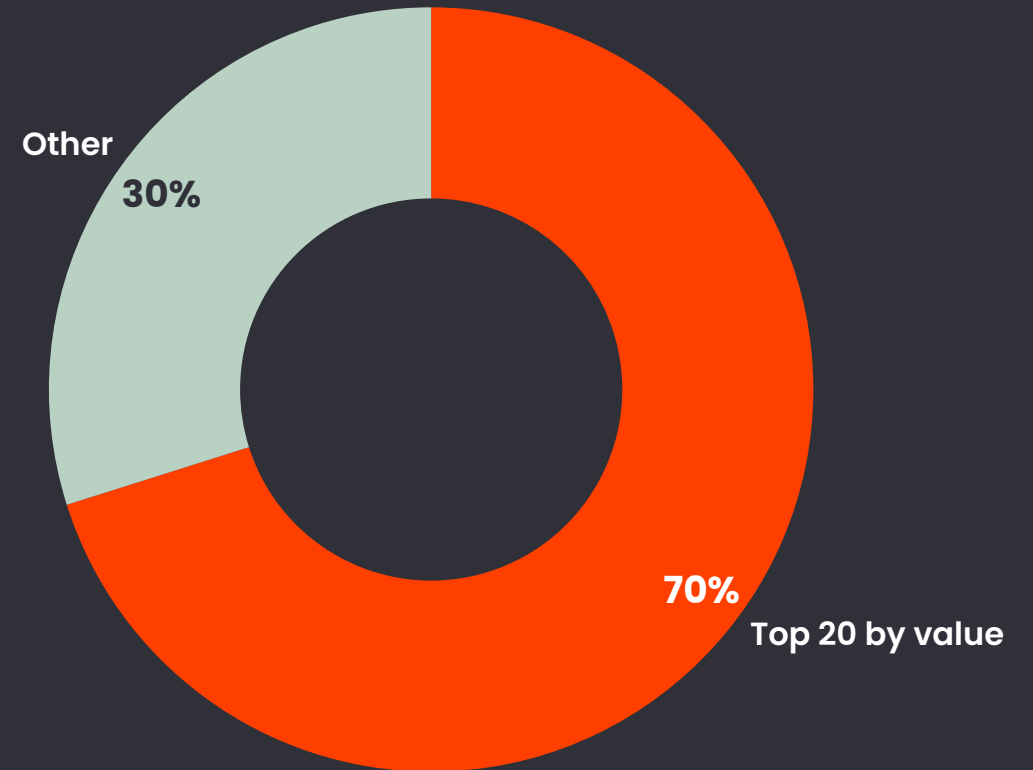


Total portfolio composition and concentration.

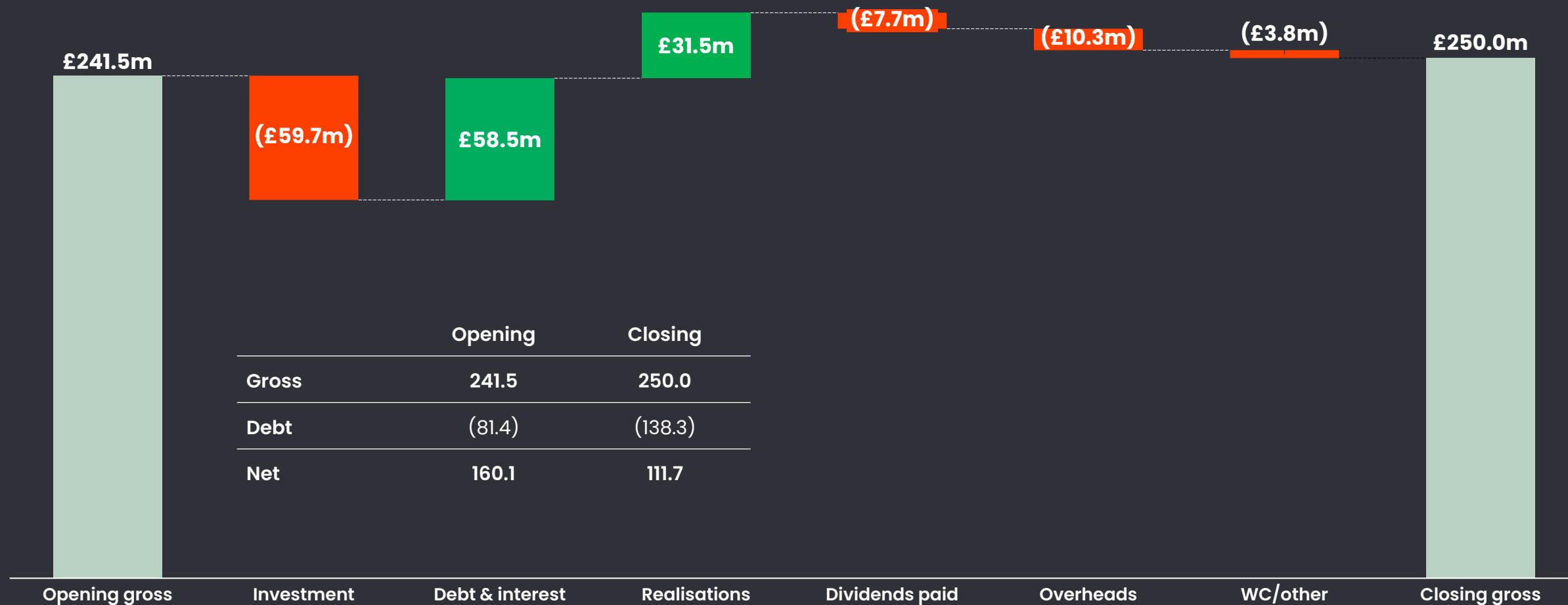
Portfolio by sector:



Portfolio concentration:



Results: Cash flows.



The Group remains well funded.

- **£250m** gross cash, up from year end

- Cash and £206m listed portfolio give total potential liquidity of **over £450m**

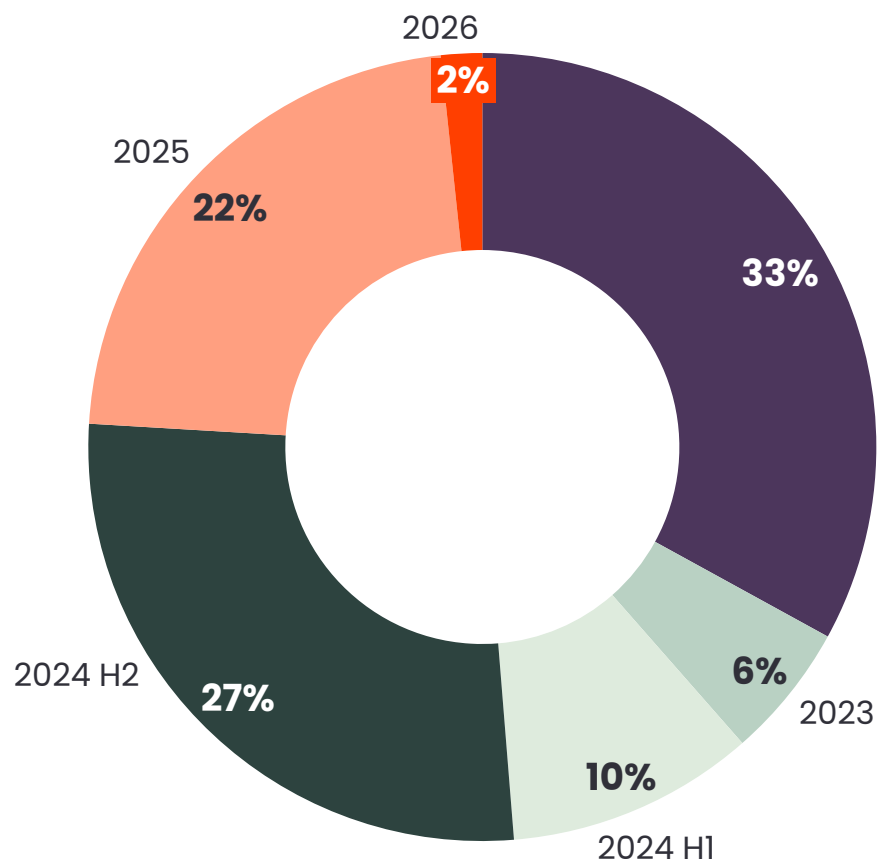
- **£32m cash proceeds** in H1 largely from second tranche of 2021 WaveOptics disposal

- **Debt fixed at 5.25%, majority long maturity**, being repaid in £40m tranches late 2027, 2028 & 2029

And our portfolio is also well funded.

Portfolio funding profile.

Companies >£4m value representing >90% of equity and debt investments



Our portfolio.

For the larger companies in the portfolio



1/3
funded to expected profitability



Only 16%
need to raise before second half of 2024



27%
Second half 2024

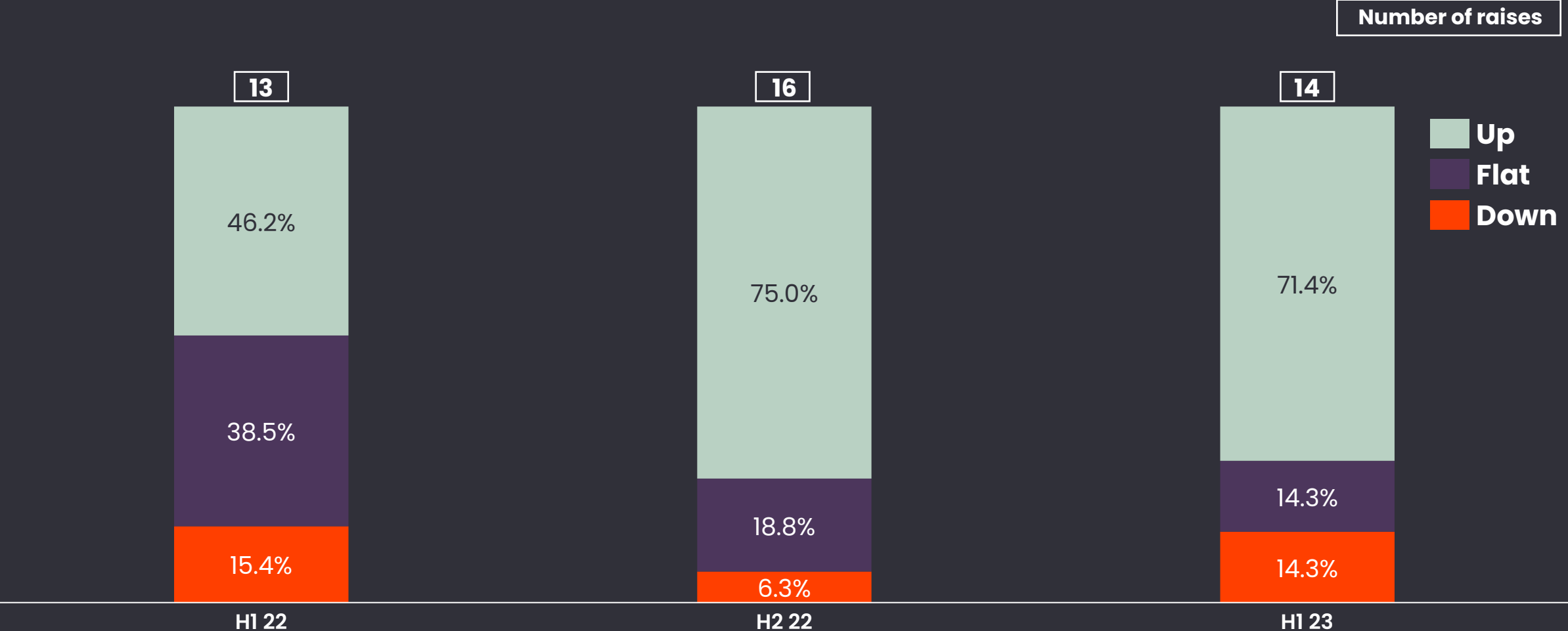


24%
2025 and later

Portfolio valuation approach.

	Primary Approach	Description	Proportion of NAV
Typical order of preference based on degree of market input ↓	Quoted market prices	Bid price at valuation date	16%
	Funding transaction	Last funding round price, without adjustment	35%
	Adjusted financing	Valuation based primarily on recent financing price, adjusted upwards (14%, 5 companies) or downwards (9%, 14 companies) based on positive or negative performance	23%
	Future market/ commercial events	Near-term event, typically a funding round or exit which has documented terms but has not completed at the valuation date	1%
	Revenue multiples	Estimate of company Enterprise Value based on actual or forecast revenue and a revenue multiple	6%
	Discounted Cashflow (DCF) Models	Estimate based on cashflow projections, probability and risk-weighted to the valuation date	9%

Private valuations remain robust.



Debt.



FY22 private debt placing totalling

£120m

**at 5.25%
fixed interest**



Partial repayment of EIB Debt adds

£105m

net headroom



Provided by UK institutional investors including Phoenix Group to support

sustainable investments



Drawn down in two tranches:

1. £60m 2022
2. £60m 2023



Repayment over three tranches:

1. £40m 2027
2. £40m 2028
3. £40m 2029

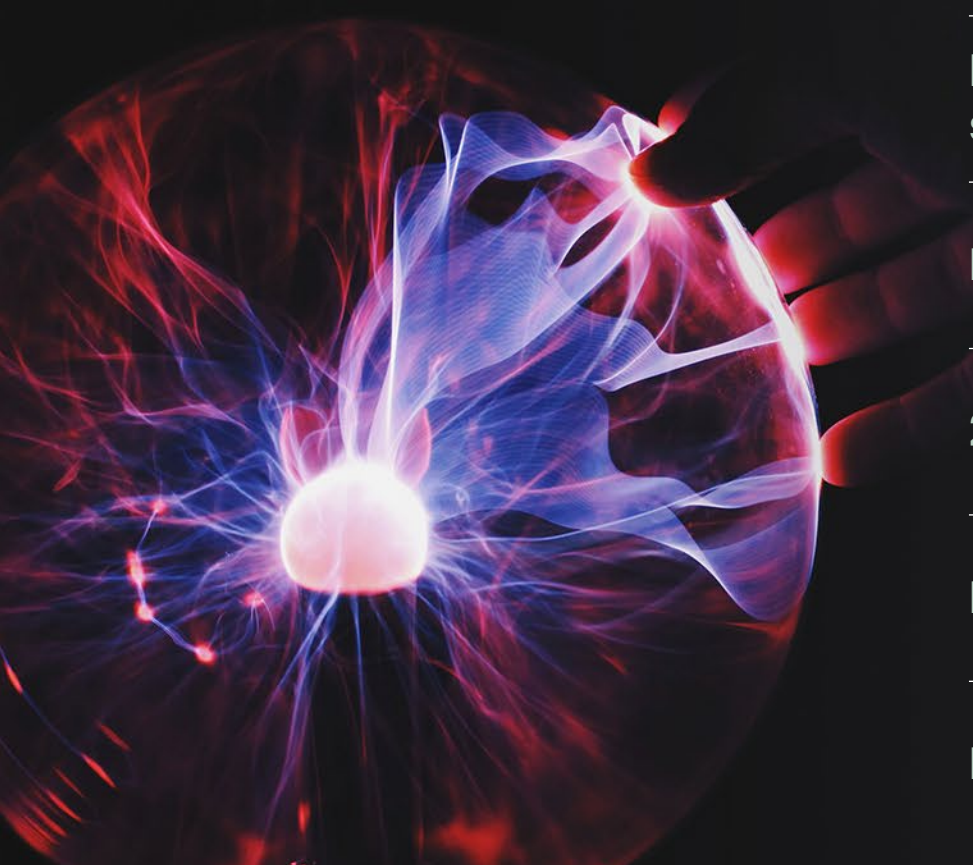


04

Summary

For a future made possible by science

IP Group: investments with impact.



A leader and pioneer in “deep tech” investing

Extensive access to science & innovation

Deep sector expertise

20-year track record

Impact at our core

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Realisations

Inflection points over the next 12-18 months.



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Life Sciences

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Technology

Revenue growth



Cleantech

Technical progress, significant fundraisings and new pipeline

Q&A

Upcoming events.

*FY results	March
*Valuation deep-dive	March
IP Group flagship science event	May
*AGM and investor update	June
*Parkwalk meet the portfolio event	June
*H1 results	August
*IP Group deeptech event	September
*ESG deep-dive	October
*IP Group cleantech event	November
*IP Group 'deeptech' conference (Asia)	April 2024

*Available to all shareholders





06

Appendices

1 | Summary of strategy.

Accelerating the impact of science for a better future.

A future enhanced by the impact of transformative businesses we have identified, backed and grown as long-term partners.



Have an impact on the world that counts.



Develop our unique insight, expertise and access.



Accelerate value creation.



Build a truly distinctive reputation.



Be a home for exceptional talent.

Deliver class-leading internal processes, services and controls.

2 | Impact is in our DNA.

IMPACT AT OUR CORE

GROUP LEVEL IMPACT

PORTFOLIO LEVEL IMPACT

Impact on our communities.

We actively work with local community groups to increase access to skills and opportunities for all



Impact is a strategic driver for IP Group.

Impact is one of our five strategic pillars and is a fundamental component of our business model and corporate strategy



Tech-enriched future.

We back deeptech companies and future computing solutions, that enable the digital economy, and generate prosperity for all



Regenerative future.

We invest in science, addressing the global climate challenge, and back innovators and pioneers, creating revolutionary climate technology solutions



Healthier future.

We invest in breakthrough therapeutics, which focus on cure and prevention rather than only treating symptoms



We are investing today in science, addressing the world's greatest unmet challenges

By the numbers.

£2.0bn¹

Backing science-based businesses

500+

companies backed across cleantech, life sciences and deeptech

10k+

jobs created by the companies we have backed

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 1. £1.4bn NAV + £700m 3rd party AUM as of 31 December 2022.

3 | Board.



Sir Douglas Flint

Non-executive Chairman

Previously Group Chairman of HSBC, spent 15 years as HSBC's Group Finance Director, joining from KPMG where he was a partner.



Greg Smith

Chief Executive Officer

Decade as Group CFO driving strategy, scale and geographic expansion. Deep experience in investment appraisal, capital and resource allocation.

Previously KPMG and \$3bn fund of hedge funds.



David Baynes

Chief Financial and Operating Officer

Finance and venture background, long track record of working successfully with the Boards of investee companies

Co-founder Fusion IP plc.; bought by IP Group.



Dr Elaine Sullivan

Non-executive Director

27 years' international pharmaceutical industry experience including Eli Lilly and AstraZeneca.



Heejae Chae

Non-executive Director

Experienced public company director. Former CEO of AIM-listed Scapa Group plc, a global supplier of products for healthcare and industrial markets.



Dr Caroline Brown

Non-executive Director

Background in corporate finance, advising global corporations and governments. Experience in managing early stage companies in energy and tech sectors.



Aedhmar Hynes

Non-executive Director

Background in communications advising brands through digital transformation and technology disruption. Ranked among the 'PR Week' 50 most powerful communications professionals in the world.



Anita Kidgell

Non-executive Director

25 years of pharmaceutical experience. Head of Corporate Strategy at GSK leading strategic initiatives in China, ESG, geopolitics, integrations and demergers.



Angela Leach

Company Secretary and Group Legal Counsel

Background in corporate, commercial and IP law.

Previously CMS Cameron McKenna and Memery Crystal.

4 | Executive Committee.



Greg Smith

Chief Executive Officer
See bio on previous page.



David Baynes

Chief Financial and Operating Officer
See bio on previous page.



Angela Leach

Company Secretary and
Group Legal Counsel
See bio on previous page.



Dr Mark Reilly

Managing Partner, Technology
Background in software, web, optics, and electronics. Previously Remarkable Innovation, a technical due diligence company with a Fortune 500 and national government clients.



Dr Sam Williams

Managing Partner, Life Sciences
20 years experience in biotech, both as equity analyst and entrepreneur.
Co-founder: Istesso
Board member: Pulmocide Ltd, Diurnal Group plc, Psioxus Ltd and Microbiotica Limited.



Chris Glasson

Group Finance Director
Chartered accountant with 15 years+ experience in finance.
Previously: Deloitte, Tesco, The Carphone Warehouse.



Liz Vaughan-Adams

Director of Communications
Background in crisis management, M&A, IPOs, fund raisings, media relations, CSR and digital strategies.



Moray Wright

CEO Parkwalk Advisors
20 years experience with corporate and financial institutions and sits on the board of several Parkwalk companies.
Previously: Hoare Govett, JP Morgan, Lazard and Mirabaud.



Joyce Xie

Managing Director, Global Capital
International career in investment management and investment banking.
Previously: HSBC investment banking, portfolio management.



Anthony York

Group People Director
Proven capability of developing and leading high-performing teams. Specialising in development of both HR and Reward strategies that directly support commercial growth objectives.

5 | Shareholder Register (Above 2% Holders).

Shareholder	% holding
Railways Pension Scheme	15.7%
BlackRock	4.9%
Liontrust Sustainable Investments	4.5%
Vanguard	4.4%
Baillie Gifford	4.4%
Schroder Investment Management	3.8%
Lombard Odier	3.7%
Imperial College	2.9%
Legal & General Investment Management	2.8%
Border to Coast	2.6%
Lansdowne Partners	2.6%
Telstra Super	2.3%
Invesco	2.2%
Total	c. 57%

*Source: RD:IR database and TR1 filings, correct as at 30 June 2023

6 | Subsector focus and example holdings.

Healthier future

Understanding disease

GENOMICS

Reprogramming cells

istesso

Reconditioning tissue

 AKAMIS
BIO

Redirecting behaviour to reduce risk

ieso

Tech-enriched future

Applied AI

FEATURE
SPACE

Next generation networks

 ACCELERCOMM
SUPERCHARGED WIRELESS

Human-machine interface

ultraleap 

Future compute

 QUANTUM
MOTION

Regenerative future

Mobility and transport

oxa

Clean power generation

 first light

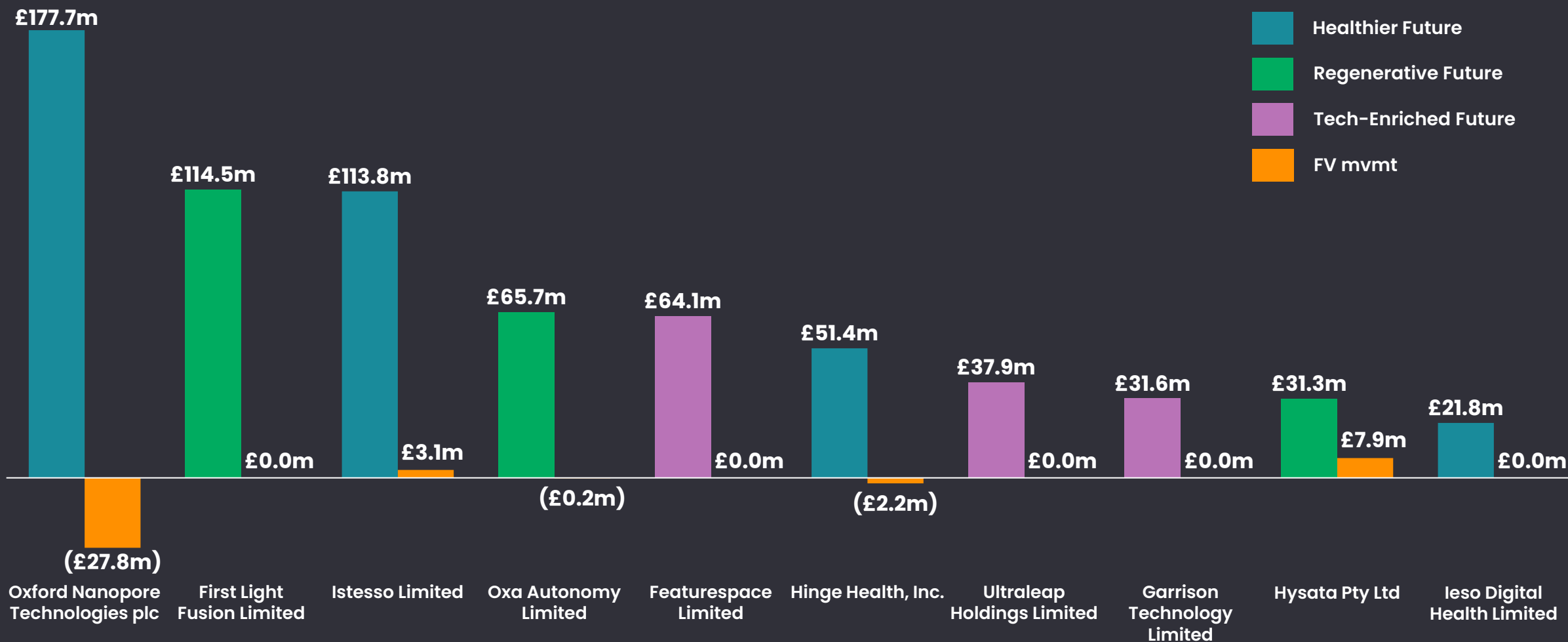
Heating and cooling

mixergy

Carbon free fuel

 Hysata

7 | Top 10 holdings and fair value movement H1 2023.



Fair value movements include both realised and unrealised movements and FX



Visionary ventures for a future made possible by science.

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