

## **IP GROUP PLC**

ANNUAL REPORT & ACCOUNTS FOR  
THE YEAR ENDED 31 DECEMBER 2024

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REGISTRATION NUMBER: 04204490  
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# IDEAS POWERED.

At IP Group, we understand science.

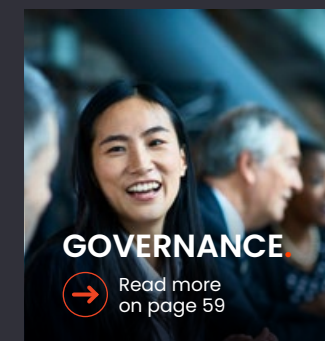
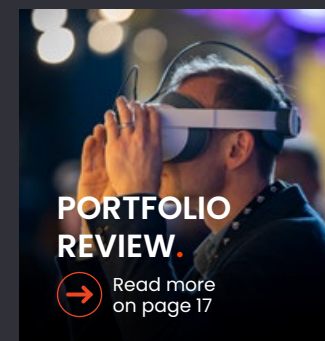
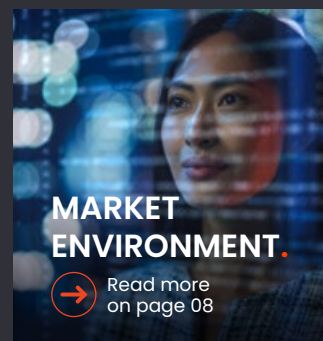
We understand its impact today and its potential to shape the future.

With more than 20 years' experience evolving great ideas into world-changing businesses, we also understand that progress takes patience. That is why we choose partners with purpose, who, like us, are committed to impacting the world's greatest unmet needs.

Together, we accelerate the impact of science to transform ideas into impact, at scale. We see a future transformed by human ingenuity. And we look to make it happen by spotting the opportunities others miss.

We are one of the most active investors in university and other research-based companies in the world, with a proven track record in backing and nurturing science and technology-based businesses to deliver impact and returns. Since the Group was founded, IP Group and Parkwalk Advisors have backed over 500 companies whose compelling ideas, products and services will meaningfully contribute to a healthier, tech-enriched and regenerative future.

We aim to accelerate the impact of science for a better future.



# HIGHLIGHTS.

Net Asset Value (“NAV”)  
**£952.5m**

2023: £1,190.3m

NAV pence per share<sup>1</sup>  
**97.7pps**

2023: 114.8pps

% change in NAV  
per share  
**(15%)**

2023: (14%)

Loss for the year  
**(£207.0m)**

2023: (£174.4m)

Total portfolio<sup>1</sup>

**£837.4m**

2023: £1,164.9m

Gross cash and  
deposits<sup>1</sup>

**£285.6m**

2023: £226.9m

Cash proceeds<sup>1</sup>

**£183.4m**

2023: £38.6m

Portfolio investment<sup>1</sup>

**£63.0m**

2023: £73.2m

<sup>1</sup> Note 27 details the Alternative Performance Measures (“APM”)



**Outperformed on exits**  
despite reduction in NAV per share



**Accelerated share  
buyback programme**  
since January 2024, up to £80m  
buybacks announced



**Significant portfolio  
and pipeline  
opportunity**

Total cash proceeds  
from exits of £183.4m,  
**+375%**

Largest ever exit: sale of  
Featurespace Ltd to Visa

**£784m of capital raised  
across portfolio**

**Four companies  
reported positive clinical  
trial data**

# 2024 HIGHLIGHTS.

## PERFORMANCE HIGHLIGHTS

### Outperformed on exits, despite reduction in NAV per share:

- Total cash proceeds from exits of £183.4m (+ 375%) including:
  - **£134m:** Sale of Featurespace Ltd to Visa (£119m cash received in the year) – largest ever exit
  - **£30m:** Sale of Garrison Technology Ltd to Everfox
  - **£9.2m:** Sale of Kynos Therapeutics Ltd to Dr Falk Pharma GmbH
  - **up to £15m:** Secondary sale of minority holdings in six portfolio companies at small premium to NAV
- Strong balance sheet and liquidity with gross cash of £285.6m, up 26% from £226.9m in 2023
- NAV/share down 15% to 97.7p with closing NAV of £952.5m, driven by decrease in market value of Oxford Nanopore (ONT) and valuation reductions for First Light Fusion and Istesso in challenging market conditions
- Raised further £95m of third-party funds (Hostplus and Parkwalk) – third-party AUM now £678m, up from £650m in 2023
- Total net overheads run rate reduced by 23% by year end, a 12% reduction for the year

### Accelerated buybacks:

- Since January 2024, announced buybacks of up to £80m representing 19% of current market capitalisation
- Completed £30m of share buyback programme during year, with £50m balance ongoing
- 10% of share capital retired to date, increased shareholder authority now sought in order to complete ongoing programme

### Significant portfolio and pipeline opportunity:

- £784m of capital raised (up 17%) with £63m invested across 38 companies, reflecting maintained discipline
- Istesso: Phase 2b study of Ieramistat in rheumatoid arthritis demonstrated novel mechanism of action and effectiveness in bone repair in secondary endpoints despite not meeting primary endpoint
- Enterprise Therapeutics and Genomics: Significant investment rounds closed, to fund next development stage
- Four companies (Storm, Mission, Kynos and Abliva): reported positive clinical trial data
- Hysata: Completed oversubscribed \$111m Series B funding round, the largest Series B in Australian cleantech history
- First Light Fusion: Sets pressure record at Sandia National Laboratories and refocuses business model on revenues
- Strong interest in companies developing faster, more efficient computing hardware for AI including Instrinsic and Lumai

### Post period-end update:

- Intention to extend buyback programme by a further £10m, announced today
- Intention to allocate 50% of 2025 exits to buyback programme, announced today
- Cash and deposits of £277m as at 21 March following additional cash proceeds of £24.7m since 31 Dec
- Fair value of Group's holdings in listed companies decreased by £14.7m in the period since 31 Dec, including £13.8m from ONT
- Hinge Health files for a New York initial public offering
- Istesso notifies shareholders of outcome of Phase 2b trial which completed in 2024



The Group prioritised profitable exits during 2024, outperforming a relative lack of liquidity across the venture capital market, despite our negative NAV per share performance. These exits included our largest ever cash realisation with the sale of Featurespace to Visa, alongside a number of other holdings, at or above carrying values. The £183m of cash proceeds strengthened our liquidity position and enabled us to significantly increase our share buyback programme while continuing to invest for growth.

We have already completed a number of exits in the current year with a promising pipeline of further realisations, giving us confidence in delivering more than £250m of exits from private company holdings by the end of 2027. We also noted Hinge Health's recent announcement that it intends to list on the New York Stock Exchange. Given our share price continues to reflect a significant discount to NAV per share, during 2025 we intend to increase the proportion of exits allocated to buybacks to 50%.

As the UK's most active investor in university spin-outs, IP Group has an exciting and compelling portfolio of companies which is attracting strong interest from third parties. While the current macro environment remains challenging, the Board has ensured the Group is appropriately sized and well financed and continues to focus on delivering returns for shareholders."

**Greg Smith**  
CEO

# AT A GLANCE.

## Our key differentiators

### Purposeful thematic focus

Our purpose focuses us on impact. We are focused on backing and supporting businesses in our three investment themes where we can add value through our expertise and experience.

### Access to unique opportunities

We are a global group with a strong network and relationships with world-leading academic research institutions, giving us differentiated access to an exciting portfolio of high-growth companies.

### Expert teams

We aim to be a home for exceptional and highly motivated talent. Our investment teams are experts in their fields with a deep understanding of science and technology, as well as decades of experience in identifying, nurturing and exiting unique high-growth businesses.

### Imagination and flair

We are entrepreneurs at heart, bringing imagination and flair to supporting our portfolio companies through all stages of their development.

### International profile

Our international footprint gives us access to a range of opportunities and provides valuable insight and resource to support our portfolio companies as they scale and grow in the UK, US, Australia and New Zealand.

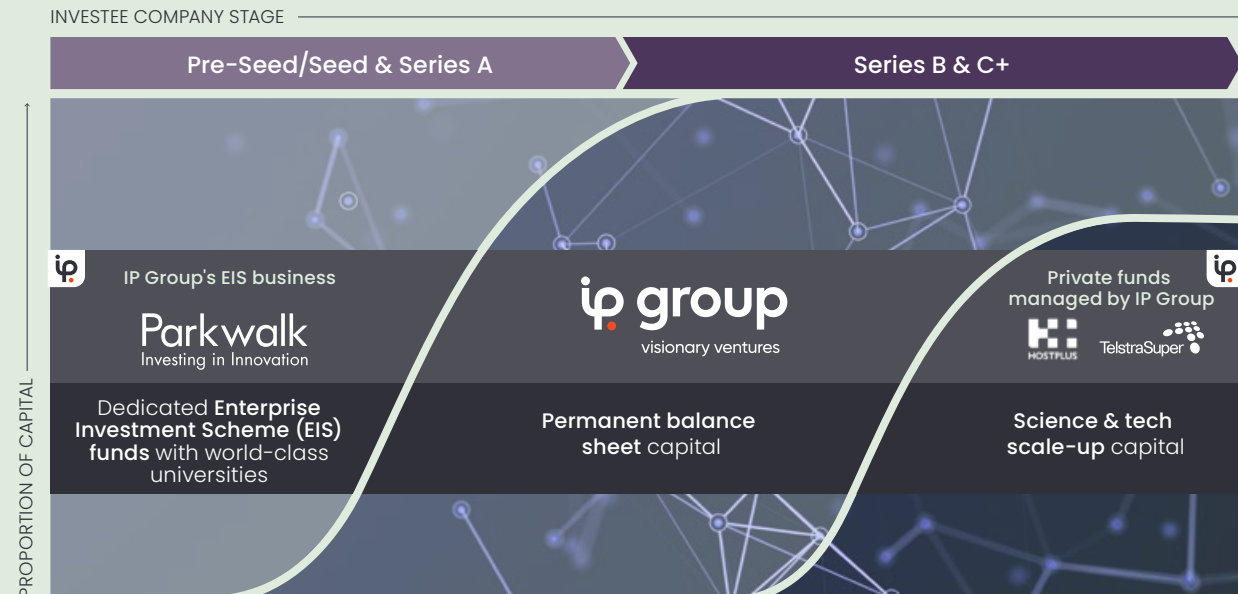
### Permanent capital structure

Investing from our balance sheet is a significant advantage, enabling us to be flexible and patient. This allows us to co-found and build companies, and realise value at the most appropriate time.

### Track record

We have a track record built over more than 20 years of turning great ideas into world-changing businesses and creating value.

## UK's most active and largest investor in UK university spin-outs



## Three thematic focus areas

### HEALTHIER FUTURE

**Life Sciences**

[Read about Life Sciences on pages 09 and 17](#)

### TECH-ENRICHED FUTURE

**Deeptech**

[Read about Deeptech on pages 09 and 17](#)

### REGENERATIVE FUTURE

**Cleantech**

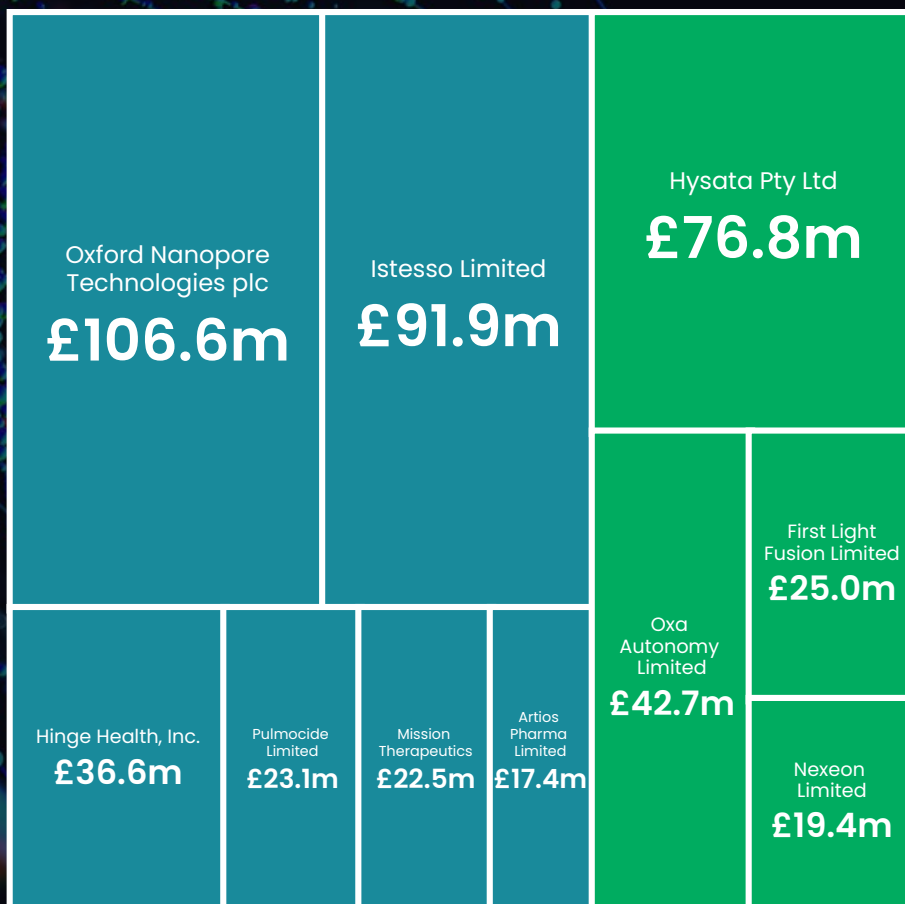
[Read about Cleantech on pages 09 and 17](#)

## Culture and values

<b>INTEGRITY.</b>	<b>PURPOSE.</b>	<b>GROWTH.</b>
<p><b>Committed to doing the right thing, in the right way.</b></p>	<p><b>Bold and focused in the pursuit of our mission.</b></p>	<p><b>Driven by finding a better way to do things.</b></p>
<p>Do the right thing, at the right time and the right way, even when no one is looking.</p>	<p>Dedicated to accelerating the power of science for a better future, and to delivering market-leading returns.</p>	<p>Always looking for new and innovative ways to do things better.</p>
<p>Set high standards for yourself and others. Trust your colleagues to make the right decisions and to deliver. Genuine care for all of the stakeholders impacted by your work.</p>	<p>Perseverance, collaboration and commitment. Success will not often come quickly, and cannot be achieved alone.</p>	<p>Relentlessly curious, open-minded and keen to learn. We're always looking for a better way to do things or a new solution to a difficult problem.</p>

# AT A GLANCE.

## Top ten investments by Fair Value



### KEY

- Life Sciences
- Cleantech

## Priority companies

We place meaningful focus on a dynamic list of companies which we believe can be material in the context of overall Group performance and underpin our self-sustaining model. These include:

**Oxford Nanopore Technologies:** The world's first nanopore DNA sequencing platform, which is uniquely scalable from pocket-sized formats through to ultra-high throughput devices, enabling the genetic analysis of any living thing, by any person, in any environment. The technology offers real-time data analysis for rapid, dynamic insights and played a key role in the COVID-19 pandemic.

**Istesso:** Immunometabolism drug discovery and development aimed at reprogramming metabolism to treat autoimmune disease.

**Hysata:** Hysata's unique capillary fed electrolyser technology promises an efficiency gain in the production of green hydrogen.

**Oxa:** Global leader in autonomous vehicle software based on artificial intelligence engineering, machine learning and modular software design.

**Hinge Health:** The world's first digital clinic for back and joint pain with an expanding customer base.

**First Light Fusion:** Inertial confinement approach to fusion, aiming to create the extreme temperatures and pressures required for fusion by compressing fuel using a hypervelocity projectile. Fusion power is safe, clean and limitless with the potential to transform the world's energy system. Achieved validated world-first fusion event in 2022 and set pressure record at Sandia National Laboratory in 2024.

**Pulmocide:** Treatment of respiratory diseases through a novel approach to inhaled medicines. Phase 3 study of its novel anti-fungal for invasive pulmonary aspergillus underway.

# CHAIRMAN'S STATEMENT.



**Sir Douglas Flint**  
Chair



The Board is confident that there is substantial unrecognised value within the portfolio. Our principal objective in the coming year is to harness what we believe is a strong desire amongst UK institutions to support this segment of the UK growth story and configure our business in whatever way is needed to be successful.”

**As we entered 2024, we recognised that appetite for higher risk and early-stage assets was likely to remain cautious, given the number and significance of the elections that were to take place during the year as well as the disruptions to historic trade and investment flows that were evident from the major geopolitical tensions and military conflicts that had escalated. We adjusted our investment plans accordingly, concentrating capital allocation in our highest potential portfolio companies, in particular those with good prospects to deliver a cash return in the near to medium term.**

Recognising the stubbornness of the gap between our reported Net Asset Value ('NAV') per share and our share price, the Board set management a number of priorities in 2024 to address this disparity. These included prioritising realisations to demonstrate value creation from our investment activity; pursuing third party co-investment transactions to validate our valuation discipline; attracting third party funds to add capacity to our investing activity; seeking fresh investors to the plc and improving operational gearing through better cost performance.

This low appetite for (public market) investments in early-stage assets was reflected in delayed funding rounds, and where funding rounds did take place, we witnessed a decline in valuation. As a consequence, we reported a loss for the year of £207m driven by a £52m decline in the value of our stakes in listed companies (primarily Oxford Nanopore) and valuation adjustments and write-offs in the private portfolio of £228m. It is worth noting that in the latter case, the 3 largest write-downs reflected a £94m reversal of previous uplifts. In terms of cash flow, we increased our cash and deposits by £59m in 2024 after investing £63m in the portfolio and applying £30m to the repurchase of our own shares.

In order to achieve this outcome, we had some significant successes. We delivered the highest value cash realisation in our history from the sale of our stake in Featurespace, generating disposal proceeds of £134m of which £119m was received in cash before the end of the year. Total proceeds of £183.4m were five times that achieved in 2023. Gross cash at 31st December stood at £285.6m against our market capitalisation at that date of £525.7m.

We structured and executed a partial secondary sale of shareholdings in six of our portfolio companies realising up to £15m in cash, at an aggregate value modestly ahead of our book carrying value thereby evidencing the integrity of our valuation processes. We also secured a further A\$125m co-investment commitment from Hostplus, our principal partner through our Australian business. And we completed a restructuring and reorganisation of our business that will reduce ongoing costs within the business by £5m, or some 23%. Greg discusses these events in more detail in his report.

## CHAIRMAN'S STATEMENT.

There were inevitably a number of disappointments. Our largest portfolio investment, Oxford Nanopore fluctuated in value significantly during the year losing over half its value in the first half and although recovering a decent portion of this in the second half, was still down by 38% over the year. Management, with the Board's strong endorsement, and given our position as one of its largest shareholders, has spent considerable time supporting Oxford Nanopore on ways to address this volatility and drive a recovery in its value for all their shareholders.

Although widely anticipated, we were frustrated that Istesso (our second largest portfolio holding), was not in a position to release any data from its phase2b Rheumatoid Arthritis (RA) study with its drug leramistat during 2024. However, on 11th February this year Istesso did provide an update which was both disappointing, yet at the same time, encouraging. The trial results reinforced leramistat's novel mechanism of action and its effectiveness in bone protection in people living with RA. Significant improvements were seen in the key secondary endpoint of bone erosions as well as improvements in disability and fatigue in patients treated with leramistat, despite it not meeting the primary endpoint of improvement in ACR20 versus placebo. We are nevertheless pleased to report that Istesso is sufficiently funded to conduct the additional studies which the Phase2b results justified. This study will undertake further evaluation of leramistat's potential to promote tissue repair in RA, as well as other chronic conditions. Greg discusses this in more detail in his review.

We spent considerable time in 2024 seeking to attract private capital for a scale up fund to build on the commitments that many pension funds and others have made pursuant to the Mansion House compact and other government sponsored initiatives to support growing innovative UK businesses; while this was not finalised in 2024 we are optimistic that the work done and discussions in train will lead to the creation of such a fund in 2025.

Public capital markets in 2024 were not helpful to IP Group, nor indeed to most of our peer group, as investor appetite for small cap companies was muted – indeed many funds dedicated to this sector wound down during the year. We applaud the efforts of the London Stock Exchange to attempt to revitalise this sector as we believe it is vital to the growth economy the government seeks to establish. It is incredibly dispiriting that in spite of the ambition of the Mansion House reforms launched in the previous parliament and the priority commitment given to the growth agenda by the current government, that there is little evidence of such change in UK investment markets for our sector.

We enter 2025 with key funding rounds underway for a number of our significant portfolio companies. Encouragingly, after prolonged gestation periods, there is evidence that investors are prepared to commit, albeit at discounts to previous rounds in many cases, a factor which has been reflected in our year-end valuations. Again, it is worth noting that much of this renewed interest originates from outside the UK. These funding rounds and any potential IPOs are encouraging early indications that confidence may be returning to our sector.

Notwithstanding the significant success in realisations in 2024, our share price ended the year substantially where it started the year (53.9p versus 58.1p) with the discount to NAV remaining elevated at 45%. Adjusting for net cash and listed stakes, the discount to the remaining portfolio value was some 81%. We understand and share shareholder frustration and disappointment with this position, which we recognise has deteriorated further since the year end following the release of Istesso's trial results. While reducing this gap will largely come from success in our investment activities, thereby demonstrating the value within the portfolio, we can and have taken steps to address the discount by buying back shares. During 2024 we completed a buyback programme of £30m and we currently intend to supplement this by adding a further £50m.

### Outlook

As we enter 2025, the need remains for scientific innovation to address many of society's urgent challenges, from ageing populations to climate change, to harnessing the power, while controlling the misuse of AI and understanding what the unprecedented power of quantum computing will offer. The government in the UK embraces the ambition to place UK science and technological excellence at the heart of its growth agenda, yet public markets remain slow to support this ambition in terms of providing the long-term venture and scale-up capital needed.

The Board is confident that there is substantial unrecognised value within the portfolio. Our principal objective in the coming year is to harness what we believe is a strong desire amongst UK institutions to support this segment of the UK growth story and configure our business in whatever way is needed to be successful. If we are mistaken in our belief that there is support in UK public markets for contributing to the financing of great ideas founded in UK scientific discovery through to world changing businesses, we shall look again, with our advisers, at the other options already considered by the Board, to optimise value for shareholders over the medium term. I look forward to updating you on progress as the year develops.

**Sir Douglas Flint**  
Chair

24 March 2025

# BUSINESS MODEL.

## 1 INPUTS

### INTELLECTUAL.

We work with some of the world's best scientists, universities and entrepreneurs in our chosen territories and thematic focus areas.

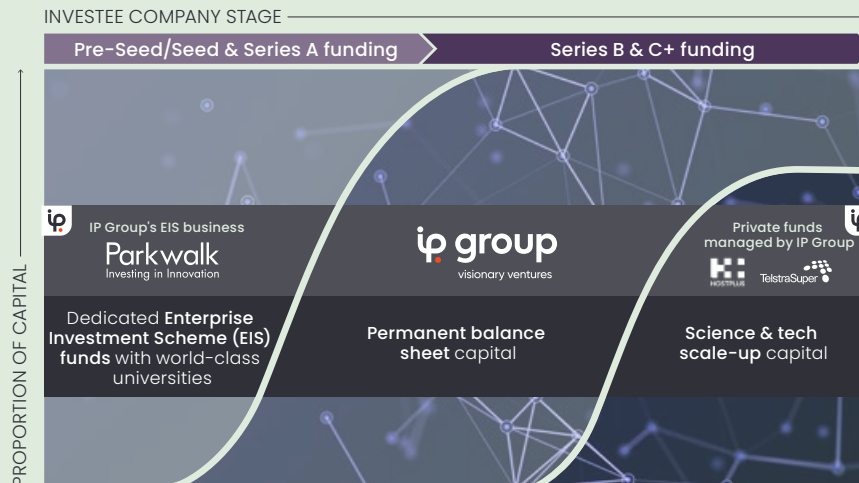
### FINANCIAL.

We combine our balance sheet capital with third-party capital to accelerate the progress of promising companies.

### HUMAN.

We aim to attract the best talent to the Group and to our portfolio businesses.

## 2 INVESTMENT LIFECYCLE – BACKING COMPANIES FROM START-UP TO SCALE-UP



### START-UP.

Identification of promising research and creation of investable businesses. Capital deployed to progress ideas to early commercial and technical validation.

### SCALE-UP.

Proactive sourcing of co-investment and continued nurture and development of businesses to grow value over time.

### PRIORITY COMPANIES.

Heaviest resources and capital focused on a dynamic list of the best risk/reward opportunities and companies with potential to scale at >£1bn within three to five years.

## 3 EXIT, REINVESTMENT & RETURN TO SHAREHOLDERS

Investing from our balance sheet enables us to be patient and hold investments until they mature before realising value at the most appropriate time.

We reinvest realised funds into new opportunities and into the growth of our priority companies.

We also make appropriate returns to shareholders.

## FEATURE

## SPACE

➔ Read about our business model in action on page 13

## 4 OUTCOMES WITH IMPACT

### Addressing the world's greatest unmet challenges:

- Genetic sequencing in any environment
- Treatment of autoimmune, respiratory and other serious diseases
- Preventing fraud and financial crime
- Cyber security
- Autonomous vehicle software
- Clean energy

### Economic growth and innovation

- 500+ companies created
- 27 new portfolio investments in 2024
- Deep pipeline of future potential winners

### Financial returns

- £655m cash realised from the portfolio over five years
- £105m returned to shareholders via dividends and share buybacks over five years

# MARKET OVERVIEW.

## Macroeconomic environment

The global economic landscape in 2024 has been shaped by a complex interplay of factors, including inflation dynamics, interest rate adjustments, and geopolitical developments including elections in many of the world's largest democracies. The Bank of England's monetary policy, which saw the base rate peak at 5.25% in 2023, has been pivotal in influencing market conditions. As inflationary pressures began to ease, the focus shifted towards the anticipated timing and scale of interest rate cuts through the second half of 2024 and into 2025.

## Public market performance

In 2024, UK public market performance was mixed, with the FTSE250 index gaining 5% in the year, but the FTSE All-share index down 6%. Market commentary in the UK continues to highlight a sustained period of capital outflows from UK equities, particularly at the small cap end of the market, and a reduction in the number of UK listed companies as a result of acquisitions and companies switching their primary listing venue out of the UK.

Against this weak backdrop in the UK, global equity markets experienced robust performance, driven by solid economic growth, falling inflation, and Federal Reserve interest-rate cuts. The NASDAQ composite index gained 29%, with technology and communication services stocks leading the gains, fuelled by the ongoing

artificial intelligence boom. Despite some volatility, the overall market sentiment remained positive, marking another positive year for risk assets within the US, albeit early 2025 has seen NASDAQ fall back into correction territory.

In terms of Initial Public Offering activity, 2024 saw an overall rebound in IPO proceeds raised, with US proceeds up 47% year-on-year. Life sciences IPO activity however remained essentially flat against 2022 and 2023 activity levels. Market commentary points to 2025 being the year that IPO activity could see a broader-based recovery in activity, albeit uncertainty around the impact of tariffs and defence may have a dampening impact.

## Private venture capital (VC) market trends

The private VC market saw another year of relatively muted activity following on from 2023, with overall global activity flat at \$369bn, and global deal volumes down by 17%<sup>1</sup>, and with AI deals making up over one third of all market volumes in the period. The same trend was in evidence in the UK, with private fundraising down 19% year-on-year by value, with the final quarter of the year seeing the lowest number of deals since 2014<sup>2</sup>.

Our portfolio companies demonstrated resilience in terms of fundraising performance, with a 17% increase in total capital raised, driven by strong fundraising activity within our Life Sciences portfolio and outperforming the broader market.

Late-stage VC valuations in Europe saw a modest 10% year-on-year increase, reflecting a cautious improvement in sentiment during the year<sup>3</sup>.

<sup>1</sup> Pitchbook data

<sup>2</sup> Beahurst data

<sup>3</sup> Pitchbook European VC valuations report

## Exit and fundraise activity

Exit activity in the VC market continued to be subdued, with US VC exit values of \$149bn broadly unchanged from 2022 and 2023, and around half the level seen in 2019<sup>4</sup>. Global fundraising figures by VC venture funds hit a six-year low, with total funds raised of \$104.7bn down 18% on 2023 figures<sup>5</sup>.

## Strategic positioning and future outlook

We remain optimistic about the long-term prospects of VC investment in the US and UK. Thematic megatrends continue to support the growth of disruptive, science-based companies. IP Group is strategically aligned with the UK Government's growth initiatives and is well positioned to benefit from reforms in the UK pensions market, which aim to increase the allocation of pension capital to high-growth private companies.

<sup>4</sup> Pitchbook US venture survey

<sup>5</sup> Venture Capital Journal

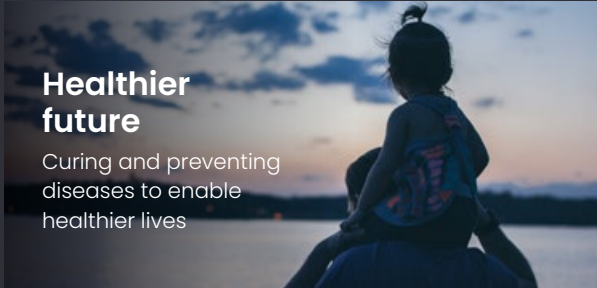


We remain optimistic about the long-term prospects of VC investment in the US and UK. Thematic megatrends continue to support the growth of disruptive, science-based companies."

**Greg Smith**  
CEO

# MARKET OVERVIEW.

## Megatrends in our thematic business sectors



**Healthier future**

Curing and preventing diseases to enable healthier lives


- Understanding risk from patient to population level
- Reprogramming cells to change their behaviour from diseased to healthy modes
- Reconditioning tissues to improve response to existing therapies
- Redirecting patient behaviour to reduce risk

**Megatrends**

- Drug “patent cliff”: more than \$200bn annual revenue at risk from expiry of patents on existing drugs, increasing emphasis on new drug discovery
- Government intervention into drug pricing favours newly-approved therapies
- Emergence of digital healthcare and personalised medicine
- Explosion of DNA sequencing as costs fall dramatically

**Addressable markets**

- DNA sequencing market \$100bn by 2034
- RA market \$37bn by 2030
- Digital healthcare market value \$836bn by 2031




**Tech-enriched future**

Transformational change in the digital world


- Billions of connected devices requiring real-time and remote processing
- Data growth outstripping economic growth by multiple factors
- Growth of the metaverse
- Energy-hungry data centres
- New technologies and powerful computing multiplying cyberthreats

**Megatrends**

- Applied AI to solve problems in underserved application areas including cyber security
- Next generation ultra-reliable networks to deliver mission-critical new applications
- Hardware and software that evolve and enhance human interaction with machines
- Future computing systems for complex problem-solving, including analogue, neuromathic and quantum computing

**Addressable markets**

- Generative AI market \$1tn market by 2034
- Global chip market \$1.07tn by 2030
- Global autonomous vehicle market size of over \$100bn in 2030

**Regenerative future**

Civilisation-risk trajectory of climate heating, driving rapid decarbonisation


- Civilisation-risk trajectory of climate heating driving rapid decarbonisation and climate-resistant economies
- 2024 warmest year on record; over 1.5°C above pre-industrial levels
- 4x increase in investment in clean energy technology and infrastructure from today's levels by 2035
- Continued UK Government commitment to climate transition including new infrastructure

**Megatrends**

- Energy transformation: electrification and low/no carbon fuels
- Energy reduction
- Water reduction

**Addressable markets**

- Green hydrogen \$135bn market by 2032, \$1.4tn by 2050
- Liquid fuels \$1.5trn market with low penetration of low-carbon fuels
- Global battery market size over \$0.5tn by 2032



# CEO REVIEW.



**Greg Smith**  
CEO



The Directors continue to believe the Group has a compelling portfolio, evidenced by strong commercial progress in many portfolio companies. While the current macro environment remains challenging, the Group is appropriately sized, well financed, and continues to believe it is well positioned for an improved appetite for high growth investments while remaining focused on delivering returns for shareholders."

## Overview

While the operating environment continued to remain challenging in 2024, the Group prioritised generating profitable cash realisations and made excellent progress in this regard. This performance meant the Group finished the year with a strong liquidity position, having recorded total cash proceeds of £183.4m, nearly five times the level achieved in 2023, with gross cash and deposits of £286m at year-end up from £227m. This enabled the Group to increase its buyback, as well as reinvesting for future growth. Having delivered a further £25m in realisations to date during 2025, the Group is today increasing its buyback programme by a further £10m, to a total of up to £80m.

The continued weaker market environment for early-stage investing did, however, weigh on private company valuations and quoted portfolio company share prices, which impacted our NAV per share, down 15% to 97.7pps at the end of the year (2023: 114.8pps). Accordingly, the Group took decisive action to adjust our delivery strategy, which enabled us to reduce our operating costs and ensure the Group remains appropriately sized and well positioned. Further information is set out in the financial review.

IP Group, including through its market-leading Parkwalk brand, is the UK's leading science and technology investor, having formed more than 500 science-based businesses. By starting and growing businesses driving improved health outcomes, the energy transition and the digital transformation, the Group aims to have a significant impact on some of society's biggest needs and deliver compelling financial returns for our shareholders.

Combining university relationships with deep sector experience and networks provides highly differentiated dealflow and the Directors believe the Group has a compelling portfolio, evidenced by strong commercial

progress in many of our companies. In addition, the Directors are encouraged by the signs of improvement in the private technology sector following increased interest and M&A activity in the portfolio.

The Directors believe the Group, one of the largest and most experienced investors in university IP in the world, is well placed to benefit from a recovery in the market environment, given its strong liquidity position, reduced cost base and promising portfolio, with many of our portfolio companies having the potential for billion-dollar exit valuations.

## Delivery against strategic priorities

As noted in the Chairman's Summary, against a challenging backdrop, the Group made good progress on achieving many of our main strategic priorities in 2024 which comprised delivering cash exits, accessing further capital for the portfolio and our managed funds and accelerating our share buyback programme.

The challenging environment impacted valuations and share prices in the period, resulting in a negative return on NAV of 17% or £207.0m (2023: negative return of 13%, £172.2m). This was driven by substantial write-downs in a number of our portfolio companies, the largest of which was a £66m fall in the value of our holding in Oxford Nanopore Technologies plc, followed by a £40m reduction in the value of our holding in First Light Fusion and a £33.8m reduction in the value of our holding in Istesso Ltd to reflect the outcome of its Phase 2b study of Ieramistat in rheumatoid arthritis (RA). Although the study did not meet the primary endpoint of improvements in ACR20 versus placebo, Ieramistat did demonstrate statistically significant reductions in the key secondary endpoint of bone erosions, as well as improvements in disability and fatigue. The performance of the Group's business units is summarised below with further detail in the portfolio review.

	Invested	Cash proceeds	Net portfolio gain/(loss)	Fair value at 31 December 2024	Simple return on capital (%)
Healthier future: Life Sciences (ex ONT)	35.3	28.8	(52.2)	348.5	(14%)
Healthier future: ONT	1.0	1.6	(66.3)	106.6	(38%)
Tech-enriched future: Deeptech	8.5	148.9	10.5	89.4	4%
Regenerative future: Cleantech (Kiko Ventures)	15.7	0.0	(75.1)	215.9	(27%)
Platform investments	2.5	4.1	(11.9)	77.0	(13%)
<b>Total portfolio</b>	<b>63.0</b>	<b>183.4</b>	<b>(195.0)</b>	<b>837.4</b>	<b>(17%)</b>

## CEO REVIEW.

Our strategy of ‘increased focus’ meant that over 55% of our portfolio value is concentrated in 10 companies, and 83% in 40 companies, across the three main thematic areas where the Group has deep expertise and experience. The Group invested in 38 opportunities in 2024 comprising 18 in Life Sciences, 9 in Deeptech and 8 in Cleantech. 95% of our capital was invested into the existing portfolio, with 5% being invested into new opportunities.

Our portfolio also continues to be well-funded with over 82% by value of the portfolio currently funded into 2026 or beyond. In 2024, our portfolio companies successfully raised a total of £784m of which IP Group contributed £63.0m (2023: £667m, £73.2m). Notable transactions announced in 2024 included the oversubscribed US\$111m fundraising by Hysata, the largest Series B in Australian cleantech history (which was reflected in our 2023 year end valuation), the £35m raise by Genomics to accelerate the adoption of polygenetic risk scores, the £26m raise by Enterprise Therapeutics to fund its P2a clinical proof of concept trial in cystic fibrosis and the £25m Series D raise by Mission Therapeutics to progress its clinical candidates in the area of mitophagy.

### Cash exits

IP Group performed strongly on cash realisations, generating £183.4m (2023: £38.6m), the majority of which came from the sale of portfolio company Featurespace Ltd to Visa, generating £134m of cash for the Group, a return of 5.9x on the £22.9m invested. The Group received an initial £119m cash in December 2024 with the balance of £15m expected in 2025 and 2026. This transaction, which was executed at a 70% premium to our holding value at the start of the year, represents IP Group’s largest ever exit. Having been the first institutional investor in Featurespace, IP Group invested a total of £22.9m over seven financing rounds, supporting the company’s growth into a leader in enterprise technology for fraud and financial crime prevention.

Another key exit in the period also came from our Deeptech sector with the sale of Garrison Technology Ltd, a pioneer in hardware-based cybersecurity solutions, to Everfox, a global leader in high-assurance cybersecurity, which completed in August, delivering £30m of cash. Garrison develops innovative “hardsec” technology that protects users from cyber threats such as ransomware and phishing by creating an electronic barrier between the internet and devices. IP Group supported Garrison’s growth from startup to trusted provider for ultra-secure government clients, including the UK and US governments, and commercial organisations like Lloyds Banking Group and Vodafone.

Both of these transactions further validate IP Group’s model and our expertise in identifying and supporting science and technology businesses to successful exits.

In Life Sciences, the Group sold Kynos Therapeutics Ltd to Dr. Falk Pharma GmbH, generating £9.2m of cash at a 2.4x multiple, while two quoted companies received cash offers. Intelligent Ultrasound Group plc, in which the Group has a 20.8% holding, received a cash offer from Surgical Science Sweden AB which valued the business at approximately £45.2m. As a result, IP Group received £8.8m of cash for its holding in 2025, which represented an uplift of £4.4m (100%) from the last-reported NAV at 30 June 2024.

Abliva AB, which discovers and develops medicines for the treatment of mitochondrial disease and in which the Group has a 9.5% stake, received a cash offer from Pharming Technologies BV which valued that business at approximately SEK725.3m. Following the completion of the sale in February 2025, IP Group received £5.1m total cash, representing a multiple of 1.6 times cost and an uplift in carrying value of £3.8m (292%) since the last-reported NAV at 30 June 2024.

The Group also announced in December that it had agreed the sale of minority holdings in nine portfolio companies across its balance sheet and managed funds to a new fund managed by Lexham Partners for up to approximately £15m of cash from the 6 balance sheet holdings included in the transaction. These sales are expected to be at a small overall premium to the 2023 balance sheet value.

All of these transactions have been at or above current carrying levels, validating the balanced valuation approach which underpins our reported NAV.

### Accessing further capital under management

IP Group continued to focus on increasing its funds under management and we are pleased to report that the Group raised £95m of third party managed funds in 2024 and now manages or advises £678m (2023: £650m). Approximately three-quarters of that figure, or £481m, is managed by Parkwalk, the Group’s specialist EIS fund management subsidiary (2023: £469m), including funds managed in conjunction with the universities of Oxford, Cambridge, Bristol, and Imperial College London.

Parkwalk invested £47.2m in 2024 (2023: £45.1m) in the university spin-out sector across 38 companies (2023: 27 companies). Again, a report from market data provider Beauhurst shows that IP Group and Parkwalk are by far the UK’s leading investor in the sector. Twenty-two new companies joined the Parkwalk portfolio, one positive exit closed and a further one was announced, and two escrow releases from previous exits were distributed to underlying investors. Fourteen portfolio companies closed funding rounds at uplifts in valuation, five unchanged and ten at lower valuations than the previously held value. These companies raised c.£140m in funding this year.

Through Parkwalk, we liaised closely with UK Government including HMRC on the financial ecosystem for knowledge-intensive spin-out companies and across political parties to ensure science and innovation is at the heart of the UK Government’s growth mission.

Most of our remaining funds are managed by our Australian team and we are also pleased to report that Hostplus, a top ten Australian Superannuation fund, allocated a further A\$125m to the IP Group Hostplus Innovation Fund in the period, bringing the total committed to A\$435m. This fund has invested in several of the Group’s portfolio companies including Oxford Nanopore, Genomics, First Light Fusion, Oxa and Hysata, providing additive growth capital for companies as they scale. TelstraSuper is also investing alongside IP Group through a co-investment mandate.

The Group continues to focus on increasing funds under management and believes there is scope to further increase private capital under management this year.

# CEO REVIEW.

## Accelerated buybacks

Delivering returns for shareholders remains paramount including focusing on narrowing the discount to our NAV per share, which the Directors continue to believe significantly undervalues the potential within the Group's portfolio. We are therefore announcing today that we intend to allocate 50% of the Group's 2025 exits to our ongoing buyback programme and a further extension of this programme by £10m, based on £20m of the exits achieved in the year to date.

The Group aims to deliver returns to shareholders primarily in the form of long-term capital appreciation. Subject to the Group's capital allocation policy, the majority of cash proceeds are typically reinvested with a smaller proportion used to deliver a cash return for the benefit of shareholders. Since the introduction of this approach in 2021, the Group has delivered more than £110m of cash returns to our shareholders via dividends and share buybacks.

Since launching the £20m share buyback programme in December 2023, IP Group has extended the programme by up to an additional £60m including using 100% of the proceeds from the secondary sale noted above, and the £10m announced today, increasing the total to up to £80m.

During 2024, the Group purchased 66,110,008 shares for £29.4m and a further 19,325,177 shares for £9.2m have been purchased so far in 2025. The Board remains committed to utilising a proportion of realisations to make regular cash returns to shareholders, which will typically be made in the form of share buybacks when the share price discount to NAV exceeds 20%.

## Optimising strategy for growth

The Group has many strengths that differentiate it from traditional venture capital firms, enabling it to deliver long-term value to investors and the companies it supports. By focusing on breakthrough innovations that are serving demand driven by global megatrends, the Group is well positioned to address some of the world's most pressing challenges. With a proven track record of nurturing transformative technologies and a mission to foster meaningful impact, our approach combines strategic investment with operational support to help early-stage businesses succeed.

As referenced in the Chairman's Statement, the Group completed a restructuring in 2024, reducing ongoing costs by £5m, or some 23%, to ensure the business is appropriately sized and well positioned. As part of this process, the Group consolidated its balance sheet investment activities under a single investment committee, led by Dr Mark Reilly, Managing Partner. The portfolios Dr Reilly has managed for the past six years have delivered strong growth and cash realisations and, in his expanded role, he will oversee the Group's balance sheet portfolio with a focus on further improving our track record.

A key differentiator for the Group is our deep partnerships with leading research institutions, predominantly through our subsidiary, Parkwalk, providing access to a pipeline of pioneering scientific research and high-potential intellectual property from institutions including the University of Oxford, the University of Cambridge, and Imperial College London. This, coupled with IP Group's flexible approach to funding across all stages of company maturity, ensures we can support our portfolio companies from inception through growth and scaling.

## Outlook

The Directors continue to believe the Group has a compelling portfolio, evidenced by strong commercial progress in many portfolio companies. In addition, the Directors are encouraged by some signs of improvement in the private technology sector following increased interest and M&A activity in the portfolio during 2024 and signs that appetite for IPOs is starting to return. So far in 2025 we have delivered £25m of realisations and believe we have the potential to deliver over £250m of exits by the end of 2027.

IP Group also remains well positioned to benefit from government support for a number of fiscal and regulatory reforms which support our operating environment, and we believe there is scope to further increase our funds under management this year.

While the current macro environment remains challenging, the Group is appropriately sized, well financed and continues to believe it is well positioned for an improved appetite for high growth investments while remaining focused on delivering returns for shareholders.

**Greg Smith**  
CEO

24 March 2025

# BUSINESS MODEL IN ACTION.

## FEATURESPACE



For IP Group, the sale of the company to Visa marked a record exit. It followed the sale of Garrison earlier in the year, with both exits further validating the model and our expertise in identifying and supporting businesses to successful outcomes.”

**Greg Smith**  
CEO

## Featurespace is a Cambridge-based developer of Adaptive Behavioural Analytics technology which uses machine learning to fight enterprise fraud and financial crime.

With a mission to “make the world a safer place to transact”, Featurespace works with many of the world’s largest banks and financial institutions to protect customers, reducing risk and business operating costs. Featurespace was acquired by Visa in 2024.

### Idea

Combining their expertise in Data Science and Computer Science, Featurespace was created by Cambridge University Professor, Bill Fitzgerald, and his PhD student, Dave Excell in 2008. The idea was to teach machines to think and act like humans in an attempt to build a system to outwit fraud attacks and manipulation by understanding customer behaviour.

Featurespace went on to build the world’s first Adaptive Behavioural Analytics engine – the ARIC™ Risk Hub – to solve this commercial and security challenge. The Risk Hub leverages machine learning to enable fraud and suspicious activity to be detected in real time. It is then either stopped automatically or by sending alerts to anti-money laundering analysts who can then prioritise them and follow them up in real time, all with explainable anomaly detection.

The Risk Hub now offers adapted solutions for card fraud, payment fraud, gaming fraud, application fraud and scam detection.

### Nurture

Relationships with the Cambridge University science and technology community, and with Featurespace customers, enabled IP Group Technology Partner, Jon Edington, to be introduced to Featurespace. We first invested in 2012, becoming the first institutional investor in the company.

Over the course of seven financing rounds between 2012 and 2024, IP Group invested a total of £22.9m. Funding from us and co-investors enabled the company to develop and scale-up to operate globally and significantly grow its customer base to 80 direct customers, including HSBC, Danske Bank and Worldpay. Revenue in 2023 rose 46.5% to £50.4m.

In addition to capital, we played an active role in sourcing and securing co-investors, as well as helping Featurespace to hire its Chief Executive Officer, Martina King. Jon Edington remained an active member of the board up until the sale to Visa, by which time IP Group was Featurespace’s largest shareholder.



### Impact

Featurespace’s impact on both major financial institutions, as well as their individual customers has been profound and far-reaching with an astonishing 500 million consumers protected from risk as a result of its ARIC™ Risk Hub.

For IP Group, the sale of the company to Visa marked a record exit. It followed the sale of Garrison earlier in the year, with both exits further validating the model and our expertise in identifying and supporting businesses to successful outcomes.

On completion of the sale, IP Group received initial cash proceeds of £119m, delivering a 70% premium in net asset value from 2023 NAV; an excellent financial return. £25m of the proceeds were immediately allocated to our share buyback programme in support of our commitment to shareholder returns.




# STRATEGIC PROGRESS.

Strategy pillars	2024 progress	Link to KPIs	Objectives for 2025
 <p><b>Have an impact on the world that counts</b></p> <ul style="list-style-type: none"> <li>Ensure genuine impact is a core component of our processes</li> <li>Focus on thematic areas driven by the intersection of commercial opportunity, societal need and IP Group’s distinctive strengths</li> <li>Develop industry-leading impact measurement and reporting</li> <li>Maintain and develop ethical investment framework and approach</li> </ul>	<ul style="list-style-type: none"> <li>A “leading” ESG performer rated AAA by MSCI; ranked as an industry “Top-Rated” company by Sustainalytics; PRIME status in the ISS ESG corporate rating</li> <li>Hysata – largest Series B funding round in Australian cleantech history</li> <li>Technical success at First Light Fusion with a record-breaking test of amplifier technology</li> <li>Positive clinical trial data reported at four Life Sciences companies. Istesso’s Phase 2b study for leramistat in rheumatoid arthritis demonstrated novel mechanism of action and effectiveness in bone repair</li> <li>Reviewed ethical investment framework to ensure fit for purpose</li> </ul>	<p>03 05 08 09</p>	<ul style="list-style-type: none"> <li>Roll out an ESG platform to our portfolio companies to support them with their ESG journeys and provide insights to facilitate improvement and growth</li> <li>Continue our portfolio company stewardship initiatives, including reviewing and refreshing our Portfolio Company Policy Toolkit to ensure our portfolio companies have access to best practice policies in order to promote compliance with relevant legislation and good corporate governance</li> </ul>
 <p><b>Develop our unique insight, expertise and access</b></p> <ul style="list-style-type: none"> <li>Build significant knowledge, presence and investments in thematic areas, maintaining deep relationships with innovators, institutions and capital providers</li> <li>Continually develop aligned Group, sector and geographical investment strategies</li> <li>Capture, develop and share institutional insight and knowledge</li> </ul>	<ul style="list-style-type: none"> <li>Created and invested for the first time in 27 new companies including Parkwalk investments</li> <li>Restructured to form single investment committee comprising four partner experts under Dr Mark Reilly, Managing Partner</li> <li>Rationalised investment teams to focus on best talent</li> <li>Integrated processes more closely with Parkwalk to source opportunities</li> </ul>	<p>05 08</p>	<ul style="list-style-type: none"> <li>Maintain deal-flow of distinctive new opportunities</li> <li>Continue to build profile as deep sector experts with institutions, innovators and capital providers through deep-dives and other activities</li> <li>Further integrate investment activities through our Investment Group</li> </ul>


**KEY**

NAV/share	Return on NAV	Total portfolio	% return on portfolio	Portfolio investment
Cash proceeds	Net overheads %	Number of new portfolio investments	Third-party funds raised	

# STRATEGIC PROGRESS.

Strategy pillars	2024 progress	Link to KPIs	Objectives for 2025
 <p><b>Accelerate value creation</b></p> <ul style="list-style-type: none"> <li>• Drive short-to-medium-term returns through priority portfolio companies that disproportionately impact returns and underpin the business model</li> <li>• Develop and apply capital allocation framework across sectors and geographies, maintaining financial strength through balancing investment, realisations and shareholder returns</li> <li>• Further develop access to capital across the funding spectrum</li> <li>• Explore bold ways of creating value</li> </ul>	<ul style="list-style-type: none"> <li>• Total portfolio investment of £63m across 38 companies</li> <li>• Portfolio raised total £784m of capital funding demonstrating quality</li> <li>• Greater focus on exits, revenue generation and costs to maintain financial strength. Reduction in net overheads of 13%</li> <li>• Total cash proceeds from exits of £183.4m</li> <li>• Two significant exits – Garrison and Featurespace, the latter generating cash significantly above NAV. Strong pipeline of future realisations</li> <li>• Completed £20m share buyback and majority of £10m extension. Announced intention to extend the buyback programme in January 2025</li> </ul>	<p>01 02</p> <p>03 04</p> <p>06 07</p> <p>09</p>	<ul style="list-style-type: none"> <li>• Delivery of priority company milestones</li> <li>• Continued focus on exits and revenue generation to maintain financial strength</li> <li>• Narrow discount between share price and NAV/share</li> <li>• Increase managed and advised third-party capital</li> <li>• Continue to buy back equity when NAV at &gt;20% discount</li> </ul>
 <p><b>Build a truly distinctive reputation</b></p> <ul style="list-style-type: none"> <li>• Develop and maintain a distinctive and authentic brand for shareholders, founders and co-funders</li> <li>• Establish IP Group as an opinion leader in key ecosystems, including through category brands</li> <li>• Actively promote our financial and impact track record</li> </ul>	<ul style="list-style-type: none"> <li>• Raised £95m of third-party managed funds; third-party AUM now £678m</li> <li>• Won three awards for the Group’s new branding and shortlisted for another three</li> <li>• Secured national broadcast and print media coverage on key issues</li> <li>• Completed investor relations programme with roadshows in the UK, Europe, Middle East and Far East, as well as capital markets events</li> </ul>	<p>05 06</p> <p>09</p>	<ul style="list-style-type: none"> <li>• Continue to build recognition of IP Group and Parkwalk’s status as leading investors in science and technology</li> <li>• Continue to help shape the operating environment through engagement</li> <li>• Continued focus on IR programme</li> </ul>
 <p><b>Be a home for exceptional talent</b></p> <ul style="list-style-type: none"> <li>• Develop, nurture and grow our exceptional people, building and maintaining the quality of our relatively small team</li> <li>• Maintain an engaging, motivating employee offer that demonstrates our uniqueness</li> <li>• Strongly align remuneration with the achievement of our vision</li> <li>• Build our culture and values, celebrating diversity, inclusion, high-challenge/high-support and regenerating success</li> </ul>	<ul style="list-style-type: none"> <li>• Delivered 2024 Inclusion and Diversity (“IDP”) masterplan objectives, being recognised as the “Top Performing VC Fund” in the 2024 Honordex Inclusive PE &amp; VC Index</li> <li>• Continued evolution of our employee offer, including effective, stakeholder aligned, remuneration</li> <li>• Introduction of a streamlined and simplified structure, improving decision-making and reducing costs</li> <li>• Maintained employee engagement (measured by eNPS) in the “very high” category</li> </ul>		<ul style="list-style-type: none"> <li>• Successfully embed new structure, supporting the build of effective teams where appropriate</li> <li>• Maintain employee engagement in the “very high” category</li> </ul>

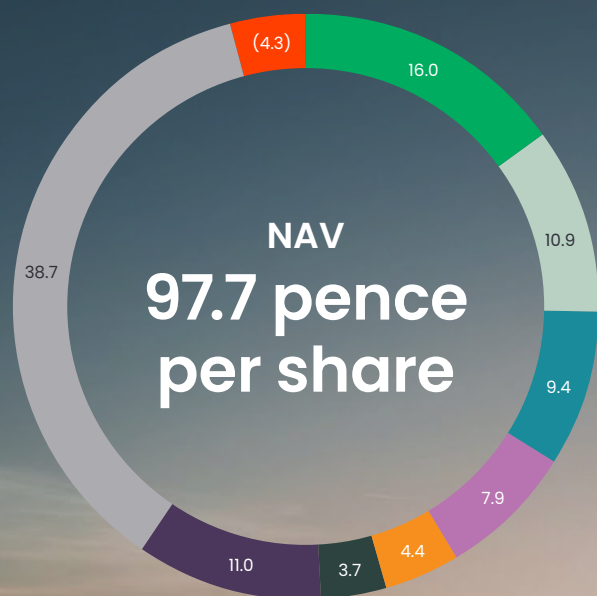
**KEY**

- 01 NAV/share
- 02 Return on NAV
- 03 Total portfolio
- 04 % return on portfolio
- 05 Portfolio investment
- 06 Cash proceeds
- 07 Net overheads %
- 08 Number of new portfolio investments
- 09 Third-party funds raised
-  Read about our KPIs on pages 26 and 27

# PORTFOLIO.

## Portfolio analysis

Constituent parts of an IP Group share

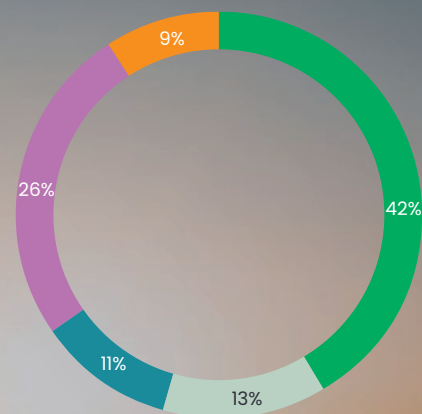


### KEY

- Net cash
- Oxford Nanopore Technologies plc
- Istesso Limited
- Hysata Pty Ltd
- Oxa Autonomy Ltd
- Hinge Health, Inc
- Other top 10
- Remaining portfolio
- Other net liabilities

## Portfolio breakdown

	Number of companies	Fair value £m
<span style="color: green;">●</span> Healthier future: Life Sciences	29	348.5
<span style="color: lightblue;">●</span> Healthier future: Oxford Nanopore	1	106.6
<span style="color: teal;">●</span> Tech-enriched future: DeepTech	27	89.4
<span style="color: purple;">●</span> Regenerative future: Cleantech (Kiko Ventures)	20	215.9
<span style="color: orange;">●</span> Platform Investments	5	77.0
<b>Total portfolio</b>	<b>82</b>	<b>837.4</b>



Platform investments are funds or portfolio companies that invest in other opportunities.

# MANAGING PARTNER'S PORTFOLIO REVIEW.



**Mark Reilly**  
Managing Partner



The Group's portfolio performed strongly in terms of cash generation from full and partial exits, the bulk of which came from the sale of two companies, Featurespace Ltd and Garrison Technology Ltd, from our Deeptech portfolio, with the balance from Life Sciences. Many of the Group's 'up and coming' portfolio companies, particularly in Life Sciences, have key developmental milestones approaching that could have a material impact on their value in the next six to eighteen months."

## Overview

IP Group invests in innovative breakthrough technologies that address the profound societal and economic shifts shaping our future. We invest across three broad themes into companies that contribute to a healthier future (Life Sciences), a tech-enriched future (Deeptech) and a regenerative future (Cleantech, through our Kiko Ventures platform). In addition, a small number of investments are categorised as platform investments, which are funds or portfolio companies that invest in other opportunities.

Sector	As at 31 December 2024		As at 31 December 2023	
	£m	%	£m	%
Healthier future: Life Sciences (ex-ONT)	348.5	41%	393.8	33%
Healthier future: Life Sciences (ONT)	106.6	13%	173.6	15%
Tech-enriched future: Deeptech	89.4	11%	231.4	20%
Regenerative future: Cleantech (Kiko Ventures)	215.9	26%	275.3	24%
Platform investments	77.0	9%	90.8	8%
<b>Total portfolio</b>	<b>837.4</b>	<b>100%</b>	<b>1,164.9</b>	<b>100%</b>

In 2024, the Group's balance sheet investment activities were consolidated with the investment team retaining exceptional expertise including the investment partners who delivered the Group's top portfolio achievements over the past several years such as Ceres Power, WaveOptics, Featurespace and Hinge Health. Combining deep scientific knowledge with commercial acumen, the team is well-positioned to deliver growth in our existing portfolio, identify transformative technologies and capitalise on emerging opportunities.

By targeting opportunities arising from the world's most significant socioeconomic megatrends such as the transition to intelligent computing, climate change, and advancements in healthcare for growing and aging populations, we aim to support the development of transformative solutions with global impact. Our portfolio companies are at the forefront of these changes, leveraging cutting-edge innovations to solve critical challenges and create sustainable value for society and investors alike.

## Performance of key holdings

As detailed in the Chief Executive's Review, the Group's portfolio performed strongly in terms of cash generation from full and partial exits, the bulk of which came from the sale of two companies, Featurespace Ltd and Garrison Technology Ltd, from our Deeptech portfolio with the balance from Life Sciences.

Despite this success on realisations, 2024 was a poor year overall for NAV performance with the portfolio recording a fair value reduction of 17%. This was driven by substantial value reductions in a handful of our most valuable holdings, the largest of which was a £66m fall in the value of our holding in Oxford Nanopore Technologies plc. Shares in Oxford Nanopore ended the year 38% lower than they started, albeit having made an appreciable recovery from the low point around mid-year.

## MANAGING PARTNER'S PORTFOLIO REVIEW.

The following table outlines the performance of the Top 10 constituents of our portfolio:

Company	Group stake at 31 December 2024 %	Net investment/(divestment) £m	Net unrealised + realised fair value movement £m	Fair value at 31 December 2024 £m
Oxford Nanopore Technologies plc	8.7%	(0.7)	(66.3)	106.6
Istesso Limited	56.5% <sup>1</sup>	10.0	(31.9)	91.9
Hysata Pty Ltd	37.0%	11.7	(4.9) <sup>2</sup>	76.8
Oxa Autonomy Limited	11.8%	–	(22.9)	42.7
Hinge Health, Inc.	1.7%	–	2.5	36.6
First Light Fusion Limited	27.5%	–	(39.9)	25.0
Pulmocide Limited	11.8%	3.7	0.2	23.1
Mission Therapeutics Limited	21.2%	3.7	3.0	22.5
Nexeon Limited	5.1%	–	7.5	19.4
Artios Pharma Limited	7.3%	–	0.1	17.4
Other portfolio	n/a	(149.2)	(42.4)	375.4
<b>Total portfolio</b>		<b>(120.8)</b>	<b>(195.0)</b>	<b>837.4</b>

<sup>1</sup> Represents undiluted economic interest. Voting interest is below 50%

<sup>2</sup> Relates to unrealised FX loss

Despite its share price performance, Oxford Nanopore's underlying performance has remained strong with the company recently reporting underlying revenue growth of 23% for the year to £179.2m, excluding the impacts of COVID-19 sequencing and the Emirati Genome Program. Gross margin increased by 420 basis points to 57.5% (2023: 53.3%), slightly above guidance, driven by margin improvements across the product portfolio, particularly across both PromethION Flow Cells and devices. Oxford Nanopore remains well capitalised with £403.8m in cash, cash equivalents and other liquid investments as at 31 December 2024 (2023: £472.1m). During the second half of the year, Oxford Nanopore raised gross proceeds of £80m, which included a new £50m strategic investment from Novo Holdings A/S, a prominent international life sciences investor. This strategic partnership is expected to bolster Oxford Nanopore's position in the biopharmaceutical sector, potentially enhancing its value.

In early 2025, Istesso provided its shareholders with the outcome of its Phase 2b study of leramistat in rheumatoid arthritis (RA) which was completed in 2024. The leramistat Phase 2b study was a 12-week randomised, double-blind, placebo-controlled trial in adults with moderate-severe RA and an inadequate response to treatment with

methotrexate. Although the study did not meet the primary endpoint of improvements in ACR20 versus placebo, leramistat did demonstrate statistically significant reductions in the key secondary endpoint of bone erosions, as well as improvements in disability and fatigue. Following the results and reflecting input from our external valuation adviser, we have taken the decision to reduce the carrying value by £31.9m. Further information on the valuation approach including sensitivity analysis is provided in Note 13 within the financial statements.

Istesso highlighted that these findings demonstrate leramistat's unique mechanism of action (MOA) and support further evaluation of its potential to promote adaptive tissue repair in combination with existing disease-modifying anti-rheumatic drugs (DMARDs) in RA, as well as in other chronic conditions.

Istesso also drew attention to the fact that treatment with leramistat significantly reduced or stopped the progression of bone erosions. Bone erosions are a central feature of RA and appear early in the course of the disease. Progression of bone erosions leads to bone damage and is a major driver of disability and increased mortality in people living with RA.

Istesso will publish full study results in due course and plans further Phase 2 studies to evaluate leramistat's unique potential to promote adaptive tissue repair in RA, as well as other chronic conditions. Istesso is sufficiently funded to conduct these studies.

Hysata is continuing to develop its high-efficiency electrolyser for green hydrogen production with an efficiency of 95%, significantly higher than existing commercial systems. The company announced in May 2024 that it had secured a record-breaking \$111m Series B funding round, co-led by bp Ventures and Templewater, with participation from IP Group. This investment is intended to expand production capacity at Hysata's manufacturing facility in Wollongong, New South Wales, and to advance their technology towards gigawatt-scale manufacturing. In December, Hysata entered into Joint Development Agreements with POSCO Holdings and POSCO E&C to collaboratively enhance electrolyser development through material research and engineering, aiming to accelerate the commercialisation of Hysata's next-generation technology.

While Oxa had a strong year with a number of significant commercial successes, we have reduced the carrying value to reflect the contraction in comparator valuations since their last funding round in 2022 and the relative scarcity of capital compared to that period.

Our innovative nuclear energy company First Light Fusion has not yet succeeded in raising new capital but has now pivoted its business model to focus on becoming an IP-rich technology provider, leveraging its amplifier technologies for inertial confinement fusion (ICF) schemes. This approach has been supported by successful validation experiments at the Sandia National Laboratories, breaking performance records and showcasing significant potential for commercialisation. We expect the company to secure its first revenues imminently. While the company continues to

## MANAGING PARTNER'S PORTFOLIO REVIEW.

pursue alternative funding options and expect to announce developments soon on that front, we have revised the valuation of our holding to reflect current status.

Aside from Oxford Nanopore, Istesso and First Light, the next largest negative movement was contributed by a write down for our holding in Ultraleap (£26.5m) which experienced commercial headwinds due to slower than expected global uptake of Extended Reality (XR) technologies, though the company recently announced a partnership to exploit the value of its extensive foundational patents that has the potential to yield substantial future value for IP Group if it is successful.

Since the year-end, portfolio company Hinge Health, which we backed from inception, filed its IPO prospectus with the US Securities and Exchange Commission. As the founding investor in Hinge Health, IP Group has a 1.8% holding in the Company, valued by the Group at £36.6m as at 31 December 2024.

### Upcoming milestones

Many of the Group's "up and coming" portfolio companies, particularly in Life Sciences, have key developmental milestones approaching that could have a material impact on their value in the next six to eighteen months.

In Life Sciences, key trial results are expected from Artios over the next 12 months. Artios has a pipeline of novel cancer therapies in development that target DNA Damage Response (DDR) pathways to specifically destroy certain cancers that are difficult to treat. Artios has built a platform for developing novel inhibitors of specific DNA repair enzymes. Its lead programme (ATR inhibitor) is in Phase 2 for a genetic subtype of cancers (ATM negative) that is found in several solid tumours including endometrial (uterus) cancer, colorectal cancer and ovarian cancer. Initial data was reported in late 2023 (several confirmed responses, and tumour marker reductions), and full data is expected later this year or early 2026. Artios also has a second programme (PoQ) in Phase 1/2a with data expected in late 2026.

Iksuda, which is developing next-generation Antibody Drug Conjugates (ADCs) for difficult-to-treat cancers, has two programmes in Phase 1 which are expected to read out in the second half of the year while Enterprise Therapeutics is expected to report data from its Phase 2a trial of ETD001 for cystic fibrosis in the second half. Enterprise Therapeutics is dedicated to the research and development of novel therapies that target the underlying mechanisms of mucus congestion in the lungs (one of the main causes of difficulty in breathing and increased risk of infection in respiratory diseases such as cystic fibrosis, asthma, and chronic obstructive pulmonary disease).

Microbiotica, which has a proprietary microbiome profiling platform that allows it to identify whether specific bacterial strains have clinical benefits, is also expected to issue data from trials of its most advanced programmes (MB097 – its Immunology Programme, and MB310 – its Ulcerative Colitis Programme) toward the end of this year/early next year.

Pulmocide, which is developing inhaled medicines for the treatment of respiratory tract infections, is expected to report data from its Phase 3 study of its lead drug

opelconazole for invasive pulmonary aspergillus (IPA), a life-threatening lung infection in 2026. Opelconazole is a potent inhaled antifungal agent for the treatment of aspergillus infections of the lung in patients with asthma, cystic fibrosis or following lung transplantation.

In Cleantech, portfolio company Hysata remains on course to demonstrate a 100kW hydrogen system this year which would be a key validation point in proving the capability to scale their breakthrough technology.

### Investment focus areas and opportunities

Our investment team has extensive expertise across science, technology, and finance, bridging the gap between academic innovation and commercial success, creating a thriving ecosystem for high-impact businesses. The Group is also committed to impact-driven investment, with a focus on global challenges like climate change, healthcare innovation, and resource efficiency.

The team continually assesses new opportunities that have the potential to have a positive impact and deliver exceptional returns and continues to develop an exciting portfolio of companies across the three sectors we are active in.

**Digital Transformation:** The global "digital transformation", characterised by the comprehensive integration and relentless increase in sophistication of digital technologies in every aspect of society and business, is the most profound and pervasive megatrend shaping the future of our world. Global spending in this area is forecast to reach \$3.4 trillion by 2026.

IP Group has been investing for many years in the fundamental technologies enabling this transition including artificial intelligence, future computing hardware, human-machine interfaces and next generation communication innovations. We are particularly interested in the opportunities for innovation in the compute stack presented by the changing demands of processing and storage power required for artificial intelligence to operate at the edge of the network. A good example of a rising star in this field is our portfolio company Lumai that is pioneering the use of all-optical neural networks to dramatically accelerate AI computations while reducing energy consumption, leveraging photonics technology to overcome the limitations of traditional electronic circuits. Another portfolio company, Intrinsic, is developing advanced semiconductor memory solutions that could enable faster, more efficient data processing, critical for AI applications at the network edge.

**The transition to a sustainable, low-carbon economy:** In the domain of reducing humanity's future reliance on fossil fuels, our cleantech investment vehicle Kiko Ventures is backing breakthrough technologies driving the transition to a sustainable, low-carbon economy. Its key focus areas include green hydrogen, energy storage, carbon capture and utilisation, resource efficiency, and decarbonisation technologies across energy, transportation, and industry. Kiko has backed up-and-coming start-ups including University of Oxford spin-outs OxCCU, which is producing sustainable fuels and chemicals by converting carbon dioxide and hydrogen into high-value products, and Mixergy, which develops smart hot water tanks.

## MANAGING PARTNER'S PORTFOLIO REVIEW.

**Healthcare and digital health:** Finally, in the healthcare domain we are continuing to support our therapeutics assets as they mature through clinical trial phases whilst also seeking new opportunities at the boundaries between technology and healthcare in the digital health domain, a market that is already worth \$347bn worldwide. A good example in this domain is our portfolio company Oxhealth, another University of Oxford spin-out, that uses advanced video analytics to remotely measure human vital signs and activity.

### Platform investments

IP Group's Platform investments portfolio comprises holdings in funds and companies that operate in a similar way to IP Group, most significantly our interest in our US platform, managed by Longview Innovation, Oxford Science Enterprises Limited, Cambridge Innovation Capital Limited, and the UCL Technology Fund in all of which IP Group was a founding investor. This portfolio was valued at £77.0m at 31 December 2024 (2023: £90.8m).

Having been unable to secure additional significant funding from third parties other than \$0.9m which the Group invested in 2024, Longview Innovation has significantly reduced its cost base and is focused on a number of its most promising portfolio companies, resulting in a corresponding portfolio fair value reduction of £9.1m in the year (2023: £42.1m reduction).

### Number of investments by sector

Sector	As at 31 December 2024		As at 31 December 2023	
	Number	%	Number	%
Healthier future: Life Sciences (ex-ONT)	29	36%	32	37%
Healthier future: Life Sciences (ONT)	1	1%	1	1%
Tech-enriched future: Deeptech	27	33%	32	37%
Regenerative future: Cleantech (Kiko Ventures)	20	24%	16	19%
Platform investments	5	6%	5	6%
<b>Total number of portfolio investments<sup>1</sup></b>	<b>82</b>	<b>100%</b>	<b>86</b>	<b>100%</b>

<sup>1</sup> Excludes de minimis holdings, which have a small value to the Group and are not actively managed to the same extent as core holdings

### Portfolio funding position

The following table lists information on the latest possible funding dates for portfolio companies where IP Group's investment holding value is greater than £4m, with the dates reflecting the funding position as at the date of publication.

	Fair value of Group holding at 31 December 2024 £m	%
Funded to breakeven	207.6	30%
2025 H1	106.0	15%
2025 H2	23.6	3%
2026	315.5	47%
2027	34.3	5%
<b>Total companies &gt; £4m value</b>	<b>687.0</b>	<b>100%</b>
Companies < £4m value	76.0	
Interest in Limited Partnerships and Platforms	74.4	
<b>Total portfolio</b>	<b>837.4</b>	

# CFOO REVIEW.



**David Baynes**

Chief Financial and Operating Officer

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The Group prioritised generating profitable cash realisations and made excellent progress in 2024, recording total cash proceeds of £183.4m, nearly five times the level achieved in 2023. This enabled the Group to increase its buyback, as well as reinvest for future growth.

While continued delays in private company funding rounds, along with some company-specific setbacks, resulted in NAV falling to 97.7 pence per share, we remain confident in portfolio valuations and the potential for growth in the future.”

- Loss for the period of £207.0m (2023: loss of £174.4m)
- Net assets £952.5m (2023: £1,190.3m)
- Net assets per share 97.7p (2023: 114.8p)

## Consolidated statement of comprehensive income

A summary analysis of the Group's performance is provided below:

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Net portfolio (loss) <sup>1</sup>	(195.0)	(160.5)
Net overheads <sup>2</sup>	(19.8)	(22.5)
Foreign exchange	2.7	0.4
Restructuring costs – labour	(2.4)	–
Restructuring costs – professional	(0.3)	–
Administrative expenses –share-based payments charge	(1.9)	(2.6)
Carried interest plan and other deal incentives credit	7.9	4.7
Net finance income	2.1	4.2
Taxation	(0.3)	1.9
<b>Loss for the year</b>	<b>(207.0)</b>	<b>(174.4)</b>
Other comprehensive (expense) (fx on retranslation of foreign subsidiaries)	(3.0)	(0.4)
<b>Total comprehensive loss for the year</b>	<b>(210.0)</b>	<b>(174.8)</b>
Exclude:		
Share-based payment charge	1.9	2.6
<b>Return on NAV<sup>1</sup></b>	<b>(208.1)</b>	<b>(172.2)</b>

<sup>1</sup> Defined in note 27 Alternative Performance Measures.

<sup>2</sup> See net overheads table on page 22 and definition in note 27 Alternative Performance Measures.

Net portfolio gains/(losses) consist primarily of realised and unrealised fair value gains and losses from the Group's equity and debt holdings in spin-out businesses, which are analysed in detail in the portfolio analysis section.

# CFOO REVIEW.

## Fair value movements

A summary of the unrealised and realised fair value gains and losses is as follows:

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Quoted equity & debt investments	(52.0)	(31.8)
Private equity & debt investments	(123.5)	(83.8)
Investments in Limited Partnerships	(13.1)	(36.5)
Foreign exchange movements	(6.4)	(8.4)
<b>Net portfolio losses</b>	<b>(195.0)</b>	<b>(160.5)</b>

A summary of the largest unrealised and realised fair value gains and losses by portfolio investment is as follows:

Gains	£m	Losses	£m
Featurespace Limited (realised gain)	56.9	Oxford Nanopore Technologies plc	(66.3)
Centessa Pharmaceuticals plc (partial realised gain)	10.3	First Light Fusion Limited	(39.9)
Nexeon Limited	7.5	Istesso Limited	(31.9)
Kynos Therapeutics Limited (realised gain)	5.7	Ultraleap Holdings Limited	(26.5)
Zihipp Limited (realised gain)	4.6	Oxa Autonomy Limited	(23.0)
Other quoted (4 companies)	5.5	Other quoted (3 companies)	(1.5)
Other private (31 companies)	22.1	Other private (39 companies)	(112.0)
Foreign exchange	1.5	Foreign exchange	(8.0)
<b>Total</b>	<b>114.1</b>	<b>Total</b>	<b>(309.1)</b>

## Realised fair value gains

Gains on disposal of equity investments represents the difference between the fair value of consideration received and the carrying value at the start of the accounting period for the investment in question. The net portfolio loss figure above includes £63.7m realised gains, the largest of which relates to the gain on disposal of Featurespace, along with several other realised gains marked in the table above.

## Net overheads

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Other income	5.5	5.9
Administrative expenses – all other expenses	(22.5)	(25.8)
Administrative expenses – annual incentive scheme	(2.2)	(2.6)
<b>Net overheads</b>	<b>(19.2)</b>	<b>(22.5)</b>

## Other income

Other income comprises fund management fees and licensing and patent income. In 2024 other income totalled £5.5m (2023: £5.9m), a decrease from 2023 primarily due a reduction in licensing and patent income partially offset by a £0.4m increase in fund management fees on third party funds.

## Other central administrative expenses including restructuring costs

Other central administrative expenses, excluding performance-based staff incentives and share-based payments charges, have decreased by £2.7m from the prior year to £22.5m (2023: £25.8m) because of reductions in non-staff cost across several expense categories following a sustained focus on cost reduction.

In the second half of the year, we completed a restructuring and reorganisation of our business, which will reduce our ongoing costs by around £5m per annum or 23% on an ongoing basis. This resulted in £2.7m restructuring charge, reflecting the costs of redundancies made and other restructuring actions taken including the closure of our Hong Kong operations.

The charge of £2.2m (2023: £2.6m) in respect of the Group's Annual Incentive Scheme, reflects a provisional assessment of performance against 2024 AIS targets which include Group, Team, and Individual performance elements as described in the Directors Remuneration Report.

## Other income statement items

The share-based payments charge of £1.9m (2023: £2.6m) reflects the accounting charge for the Group's Restricted Share Plan, Long-Term Incentive Plan and Deferred Bonus Share Plan. This non-cash charge reflects the fair value of services received from employees, measured by reference to the fair value of the share-based payments at the date of award, but has no net impact on the Group's total equity or net assets.

## CFOO REVIEW.

### Carried interest plan credit

The carried interest plan credit of £7.9m (2023: £4.7m credit) relates to the recalculation of liabilities under the Group's carry schemes, with the credit in the year reflecting this year's reduction in value of assets within the scheme. As at 31 December 2024, 65% by value of the Group's equity & debt investments were included within carry scheme arrangements (2023: 70%). The liabilities are calculated based upon any excess of current fair value above cost and hurdle rate of return within each scheme or vintage. Any payments will only be made following the full achievement of cost and hurdle via cash realisations and are only paid on the event of a cash realisation.

### Consolidated statement of financial position

A summary analysis of the Group's assets and liabilities is provided below:

	Year ended 31 December 2024	Year ended 31 December 2023
	£m	£m
Portfolio	837.4	1,164.9
Other non-current assets	20.4	10.2
Other net current assets/(liabilities)	(4.7)	(7.5)
Cash and deposits	285.6	226.9
Borrowings	(129.1)	(135.2)
Other non-current liabilities	(57.1)	(69.0)
<b>Total Equity or Net Assets ("NAV")</b>	<b>952.5</b>	1,190.3
<b>NAV per share</b>	<b>97.7p</b>	114.8p

The composition of, and movements in, the Group's portfolio are described in the portfolio review above.

### Portfolio valuations

2024 saw an increase in the level of capital raised by the portfolio compared to 2023, with £784m raised (2023: £667m), with our Life Sciences portfolio seeing a particularly active fundraising period. Across 19 fundraises within our portfolio, 10 were "up" financing rounds (i.e. raised at a higher valuation than the previous financing rounds), 3 were "flat" rounds and 6 were "down" rounds. All 6 down rounds had already been reflected in our 2023 valuations, either reflecting our assessment of setbacks within the businesses in question leading to valuation adjustments, or due to visibility of the terms of a forthcoming early-2024 financing. The proportion of down rounds was higher than has been seen in previous years, reflecting challenging market conditions. In addition, we have reflected valuation reductions in a number of cases where valuation rounds have been delayed and which are therefore not included in the statistics on the right.

	Year ended 31 December 2024		Year ended 31 December 2023	
Analysis of priced funding rounds in private portfolio	Number	%	Number	%
Up round	10	52%	13	62%
Flat round	3	16%	3	14%
Down round	6	32%	5	24%
<b>Total</b>	<b>19</b>	<b>100%</b>	21	100%

The above table reflects priced funding rounds in the private portfolio (excluding organic and de minimis companies) and excludes debt funding and funding transactions where a subsequent tranche is drawn based on pre-agreed pricing.

The table below summarises the valuation basis for the Group's portfolio. Further details on the Group's valuation policy and approach can be found in notes 13 and 14.

	Year ended 31 December 2024	Year ended 31 December 2023
	£m	£m
Quoted	133.1	203.8
Financing transaction (<12 months)	217.8	187.9
Financing transaction (>12 months)	54.9	162.7
Other: Future market/commercial events	60.7	25.0
Other: Adjusted financing price based on past performance – upwards	35.9	99.9
Other: Adjusted financing price based on past performance – downwards	152.7	203.9
Other: Discounted cash flow ("DCF")	97.2	126.6
Other: Revenue multiple	13.1	85.4
<b>Fair value of investments</b>	<b>765.4</b>	1,095.2
Statements from LP	58.1	69.7
Assets held for sale	13.9	–
<b>Total portfolio</b>	<b>837.4</b>	1,164.9

Within the 'other: DCF' category above, the largest individual amount relates to the Group's investment in Istesso Limited. Details of the critical estimates and valuation sensitivities in respect of this investment are included in Note 13 within the Group's accounts.

# CFOO REVIEW.

## Other assets and liabilities

The majority of other long-term assets relate to amounts receivable on sale of equity and debt investments, representing deferred and contingent consideration amounts to be received in more than one year.

Other long-term liabilities relate principally to carried interest (described above), and loans from LPs of consolidated funds. The Group consolidates the assets of a fund in which it has a significant economic interest, IP Venture Fund II LP. Loans from third parties of consolidated funds represent third-party loans into this partnership. These loans are repayable only upon these funds generating sufficient realisations to repay the Limited Partners.

## Borrowings

On 2 August 2022, the Group signed a Note Placing Agreement (“NPA”) to issue a £120m debt private placement, primarily with Phoenix Group. The notes are repaid in £40m tranches in December in 2027, 2028 and 2029. The interest rate is fixed at an average of 5.25%. The Group also has a £9.4m EIB debt facility which is being repaid between now and January 2026 (£6.3m of the EIB debt will be repaid within twelve months of the period end).

Under the terms of the NPA, the Group is required to maintain a minimum cash balance of £25m at any time, equity must be at least £500m and gross debt less restricted cash must not exceed 25% of total equity as at the Group’s 30 June and 31 December reporting dates. The NPA also includes ‘Cash Trap’ provisions which stipulate that the Group is required to maintain cash and cash equivalents of no less than £50m at any time, equity must be at least £750m, and gross debt less restricted cash must not exceed 20% of total equity as at the Group’s 30 June and 31 December reporting dates. In the event of the Cash Trap being triggered, the Group is not permitted to pay or declare a dividend or purchase any of its shares. In addition, investments are restricted to £2.5m per calendar quarter other than those legally committed to. The Group is also required to place the net proceeds of all cash proceeds (over a threshold of £1m) into a blocked bank account. Entering a Cash Trap does not constitute a default under the NPA.

All covenants have been met throughout the period. For further details of the Group’s loans including covenant details see note 18.

## Cash and deposits

At 31 December 2024, the Group’s cash and deposits totalled £285.6m, an increase of £58.7m from a total of £226.9m at 31 December 2023, predominantly due to realisations of £183.4m, offset by outflows from portfolio investment of £63.0, a £25.1m net cash outflow from operations and £29.6m of share buybacks.

The principal constituents of the movement in cash and deposits during the period are as follows:

## Investments and realisations

The Group invested a total of £63.0m across 38 portfolio companies during the year (2023: £73.2m; 33) and realised cash proceeds of £183.4m (2023: £38.6m).

Largest investments and realisations by portfolio company:

<b>Investments</b>	<b>£m</b>	<b>Cash realisations</b>	<b>£m</b>
Hysata Pty Ltd	11.7	Featurespace Limited	118.8
Istesso Limited	10.0	Garrison Technology Limited	29.9
Pulmocide Limited	3.7	Centessa Pharmaceuticals plc	10.6
Mission Therapeutics Limited	3.7	Kynos Therapeutics Limited	9.2
Genomics Limited	3.1	Zihipp Limited	4.4
Other	30.8	Other	10.5
<b>Total</b>	<b>63.0</b>	<b>Total</b>	<b>183.4</b>

## Treasury policy

It remains the Group’s policy to place cash that is surplus to near-term working capital requirements on short-term and overnight deposits with financial institutions that meet the Group’s treasury policy criteria or in low-risk treasury funds rated prime or above. The Group’s treasury policy is described in detail in note 3 to the Group financial statements alongside details of the credit ratings of the Group’s cash and deposit counterparties.

## CFOO REVIEW.

### Dividend and share buyback

In its 2023 results, the Group reiterated the Board's commitment to making regular cash returns to shareholders from realisations but announced that, in light of the prevailing discount between the Company's share price and its NAV per share, these regular cash returns will normally be made in the form of share buybacks when the share price discount to NAV exceeds 20%. As a result, no dividends were paid in the period (HY23: £7.7m, 2023: £13.0m), and instead the Group has been engaged in a buyback programme since late 2023.

During 2024, the Company purchased 45,280,605 ordinary shares (2023: 200,302 ordinary shares), with an aggregate value of £0.9m (2023: £0.2k) which were initially held in treasury prior to being cancelled in September 2024 along with a further 26,493,520 treasury shares held at the start of the year which were also cancelled at the same time. A further 20,609,101 shares with an aggregate value of £0.5m were purchased in the period September to December 2024 and immediately cancelled.

In January 2025 the Group launched a further extension by up to £40m of its buyback programme, which had been announced in December 2024. In March 2025, as part of the Group's preliminary results statement, the Group announced its intention to extend the buyback programme by a further £10m.

The Directors are seeking shareholder buyback authority at a General Meeting, convened for 24 April 2025 to ensure the Group retains sufficient flexibility to execute its current buyback programme in the intervening period leading up to the AGM in June 2025, with the Notice of General Meeting being posted to shareholders.

### Taxation

The Group's business model seeks to deliver long-term value to its stakeholders through the commercialisation of fundamental research carried out at its partner universities. To date, this has been largely achieved through the formation of, and provision of services and development capital to, spin-out companies formed around the output of such research. The Group primarily seeks to generate capital gains from its holdings in spin-out companies over the longer term but has historically made annual net operating losses from its operations from a UK tax perspective. Capital gains achieved by the Group would ordinarily be taxed upon realisation of such holdings; however, since the Group typically holds more than 10% in its portfolio companies and those companies are themselves trading, most of the portfolio will qualify for the Substantial Shareholdings Exemption ("SSE") on disposal.

This exemption provides that gains arising on the disposal of qualifying holdings are not chargeable to UK corporation tax and, as such, the Group has continued not to recognise a provision for deferred taxation in respect of uplifts in value on those equity holdings that meet the qualifying criteria. Gains arising on sales of holdings which do not qualify for SSE will ordinarily give rise to taxable profits for the Group, to the extent that these exceed the Group's ability to offset gains against current and brought forward tax losses (subject to the relevant restrictions on the use of brought-forward losses). In such cases, a deferred tax liability is recognised in respect of estimated tax amount payable.

The Group complies with relevant global initiatives including the US Foreign Account Tax Compliance Act ("FATCA") and the OECD Common Reporting Standard.

### Alternative Performance Measures ("APMs")

The Group discloses alternative performance measures, such as NAV per share and Return on NAV, in this Annual Report. The Directors believe that these APMs assist in providing additional useful information on the underlying trends, performance, and position of the Group.

Further information on APMs utilised by the Group is set out in Note 27.

### David Baynes

Chief Financial and Operating Officer

24 March 2025

# KEY PERFORMANCE INDICATORS.

Our KPIs measure performance against our strategy.

## KEY



Have an impact on the world that counts



Develop our unique insight, expertise and access



Accelerate value creation



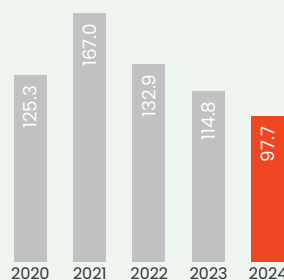
Build a truly differentiated reputation



Be a home for exceptional talent

### 01 NAV/share p<sup>1</sup>

Net Assets divided by the number of outstanding shares in issue. A useful measure to compare to the Group's share price.



Link to strategy

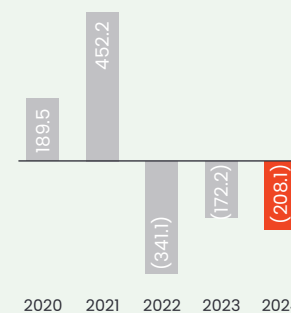


Link to remuneration

Yes

### 02 Return on NAV £<sup>1</sup>

Profit for the year excluding share-based payment charges. Shows a summary of the income statement gains and losses that directly impact NAV.



Link to strategy

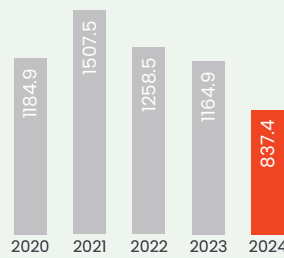


Link to remuneration

Yes

### 03 Total portfolio £m<sup>1</sup>

Equity and debt investments plus investments into limited partnership interests. Shows assets generating investment returns.



Link to strategy

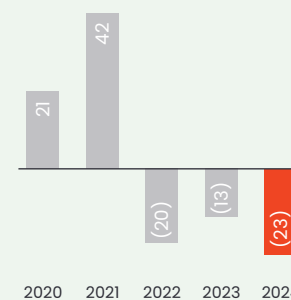


Link to remuneration

Yes

### 04 % return on portfolio<sup>1</sup>

Net portfolio gains or (losses) as a percentage of total portfolio value. A useful measure to compare annual returns.



Link to strategy



Link to remuneration

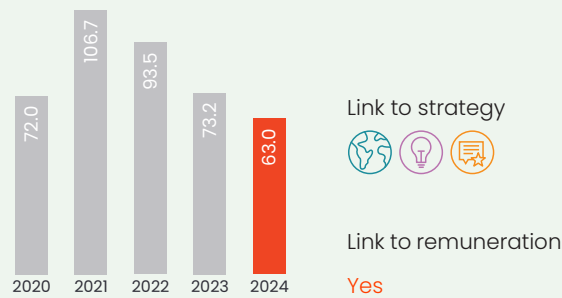
Yes

<sup>1</sup> Alternative performance measure. See note 27 for definition and reconciliation to IFRS primary statements.

# KEY PERFORMANCE INDICATORS.

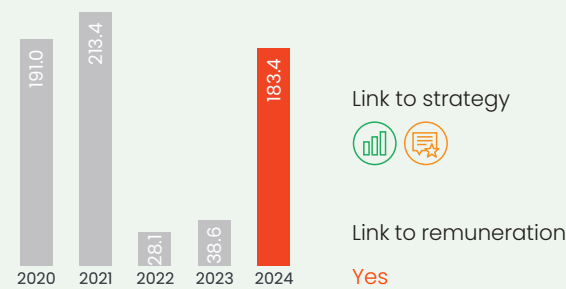
## 05 Portfolio investment £m<sup>1</sup>

The purchase of equity and debt investments plus investments into limited partnership interests. A useful measure to compare annual investment in the portfolio.



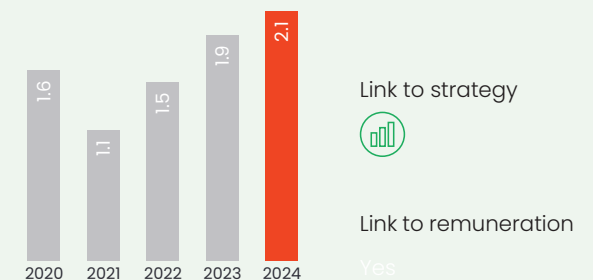
## 06 Cash proceeds £m

The total amount received from the disposal of interests in portfolio companies and distributions from limited partnership funds. Realised funds are invested into new opportunities or returned to shareholders.



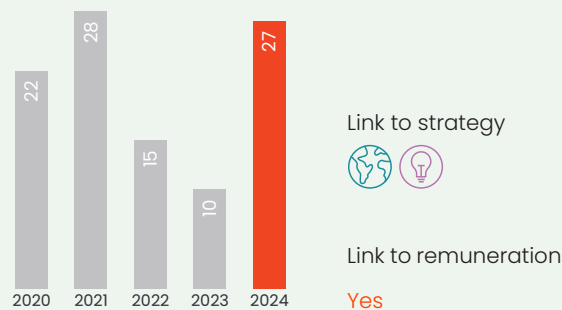
## 07 Net overheads %<sup>1</sup>

The Group's core overheads less operating income as a percentage of net assets. Reflects the Group's controllable "cash-equivalent" cost base in proportion to net assets.



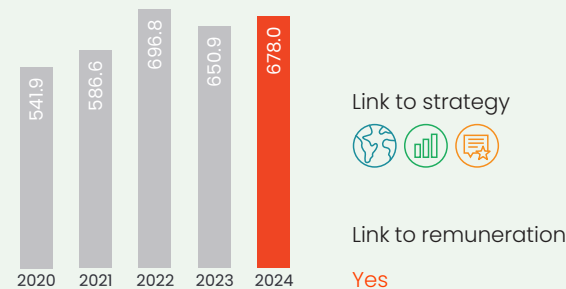
## 08 Number of new portfolio investments

The number of portfolio investments that received initial capital from the Group during the year. A measure of the Group's ability to find and invest in new opportunities. Revised in 2023 to include Parkwalk investments.



## 09 Third-party assets under management £m

Third-party funds and capital managed or advised by the Group. Shows progress against the Group's stated objective to increase capital managed on behalf of third-party investors.



<sup>1</sup> Alternative performance measure. See note 27 for definition and reconciliation to IFRS primary statements.

# MEANINGFUL IMPACT.

## We are focused on having an impact on the world that counts

Driven by our purpose, we are working at the cutting edge of sectors that are changing the world. Our three investment themes align our efforts with some of the most pressing challenges facing humanity and our planet: curing and preventing disease; managing complex data to solve complex problems; and the decarbonisation of

energy systems to limit climate change. At the same time, we consider how the way we run our business can maximise impact – through strong governance and ethical practice; for our exceptionally talented people; for our communities and the environment; and by supporting our portfolio companies to do the same.



### Environment and climate

IP Group's carbon footprint and exposure to climate risk as an organisation is low. Through our investments in carbon capture, nuclear fusion and hydrogen technology, we also have a significant opportunity to support the global transition away from fossil fuels in support of the Paris Climate Agreement. IP Group's Deeptech investments include technologies that are working to improve product performance whilst reducing energy consumption, from new computing architectures to next generation wireless networks.



### Social

We are a responsible organisation that seeks to have a positive impact on people and society through our investments and the way we operate. We conduct all of our operating and business activities in an honest, ethical and socially responsible manner, acting professionally, fairly and with integrity in all business dealings and relationships. Our culture and internal frameworks guide our behaviour and help us focus on the things that really matter – such as meeting our commitments, developing and supporting our people, furthering diversity and inclusion, and making a difference in our communities. In our Life Sciences portfolio we are building companies for a healthier future and in our Deeptech portfolio companies that will support current and future societal needs in computing, communication and mobility.



### Governance

IP Group endeavours to conduct business in accordance with established best practice, to be a responsible employer, and to adopt appropriate values and standards. We take our duty as active, responsible investors and stewards seriously, and our governance practices in relation to our portfolio companies. The Group's Board of Directors oversees the Group's approach to ESG and ensures that ESG factors are incorporated into the Board's decision-making process. Further details on the day-to-day responsibility for ESG matters is set out on page 32. In 2024 the Group's Annual Incentive Scheme ("AIS") once again contained a hybrid ESG metric. 50% relates to outperforming ESG benchmarks and 50% relates to progressing the collection and analysis of data and development of impact metrics for the portfolio. See page 93 for further details.

# MEANINGFUL IMPACT.

## ESG DISCLOSURES.

### Engaging our team

Ensuring our people remain engaged, motivated and aligned with our purpose is as critical as ever. We recognise the benefits of engaging with our people regularly via a range of channels, to ensure we are able to develop a positive two-way dialogue, with both individual employees and representative groups. Our primary measure of engagement is taken from our Voice of IP Group (“VIP”) surveys.

Our Designated Non-executive Director, Aedhmar Hynes, remains directly responsible for workforce engagement, acting as a conduit between the Board and the wider team. Aedhmar attends the regular meetings of our employee forum, IP Connect, which are facilitated by Anthony York, Group People Director.

IP Connect is a group of employees elected by employees to represent workforce views. It is consulted regularly for both general and specific feedback on cultural development as well as other matters. During 2024 the group continued to meet regularly and provided valuable feedback on a number of key areas, including our Group values, Executive and wider remuneration, flexible working arrangements and the corporate reorganisation.

Finally, the small size of our overall team means that we are able to ensure that all of our people have direct and consistent access to leadership, both informally on a day-to-day basis and through more formal channels, and at regular all-employee events.

### Ethical behaviour

We strive to always conduct our business activities in an honest, ethical and socially responsible manner and to comply with all laws, regulations and rules applicable to our business. We expect our portfolio companies, co-investors, employees and suppliers to hold the same high standards when conducting their respective businesses.

We are committed to acting professionally and with integrity in all of our business dealings and relationships, and with consideration for the needs of all of our stakeholders.

We have adopted policies and standards designed to help and guide employees in their conduct and business relationships. We take a zero-tolerance approach to breaches of our policies, and implement and enforce effective systems to mitigate risk. We provide mandatory training on critical areas such as anti-bribery and corruption, market abuse, anti-tax evasion and data privacy matters. Copies of our key policies can be found on our website [www.ipgroupplc.com](http://www.ipgroupplc.com).

### Human rights and modern slavery

We believe that human rights are universal and non-negotiable. We seek to promote a working environment where workers are treated with respect, dignity and consideration, and their fundamental human rights are protected. We comply fully with applicable human rights legislation in the countries in which we operate, which includes upholding freedom of association and the right to collective bargaining, equal remuneration and protection against discrimination.

We are committed to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our business or supply chain. We expect the same high standards from our contractors, suppliers and other business partners. We have adopted principles and policies which are relevant to the prevention of modern slavery in our organisation. These are overseen and monitored by our ESG and Ethics Committees. The Company has in place a new supplier checklist, which includes a confirmation from all new suppliers that they comply in all respects with the Modern Slavery Act. Our Modern Slavery Statement and our Human Rights Statement can be found on our website [www.ipgroupplc.com](http://www.ipgroupplc.com).

### Gender diversity

In the recent past we have focused on gender representation as a proxy of our progress in this area and, with appropriate data, we will seek to move beyond this narrow definition of diversity.

#### Gender split as at 31 December 2024

	Male		Female	
	Number	%	Number	%
Board	4	57%	3	43%
Executive team	7	70%	3	30%
Other senior management/Partners	12	57%	9	43%
Combined senior leadership team	18	60%	12	40%
All employees	32	46%	37	54%

This gender diversity data is determined consistently with the information submitted to FTSE Women Leaders, accounting for changes to the shape of the organisation after the submission date. Greg Smith (CEO) and David Baynes (CFO) are included in data for the Board and for the Executive team.

# MEANINGFUL IMPACT.

## ESG DISCLOSURES.

### Board and Executive Management diversity

Listing Rules LR 6.6.6R (10) and (11) require the Group to publish information on Board diversity. Data is for the IP Group Board and Executive Management on 31 December 2024.

Numbers in this table are based on how individuals identify themselves, based on data which is a subset of data collected regularly from all individuals on a wholly voluntary basis. Further detail on our Parker Review submission, including our target for senior management team representation, is set out on page 74.

Executive Management data is for the Executive team. Greg Smith (CEO) and David Baynes (CFO) are included in Board data but not the Executive Management data.

### Ethnic background

	White British or other White (including minority-white groups)	Mixed/ Multiple Ethnic groups	Asian/ Asian British	Black/African/ Caribbean/Black British	Other ethnic group, including Arab	Not specified/ prefer not to say
Number of Board members	6	–	1	–	–	–
Percentage of the Board	86%	–	14%	–	–	–
Number of senior positions on the Board (CEO, CFO, SID and Chair)	4 (100%)	–	–	–	–	–
Number in Executive Management	7	–	1	–	–	–
Percentage of Executive Management	87.5%	–	12.5%	–	–	–

### Environment

IP Group's carbon footprint and exposure to climate risk is low but, as a responsible business, we continue to focus on managing and reducing the entirety of our environmental footprint. We aim to become a Net Zero company by 2030 and aim to achieve this ambition within the time frame by taking a pragmatic approach and using high-quality carbon offsets.

### Sustainable London HQ

Our headquarters in Kings Cross is in an energy-efficient development. The building has been awarded a BREEAM "outstanding" rating and uses the most efficient route to create clean localised heat and power.

### Environmental disclosures

IP Group is required to report on its annual greenhouse gas ("GHG") emissions as part of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2018. IP Group is also required to report in line with Streamlined Energy and Carbon Reporting ("SECR") requirements. These requirements include an overview of GHG emissions, intensity ratios, energy consumption and energy efficiency actions taken by

### Gender

	Men	Women	Not specified/ prefer not to say
Number of Board members	4	3	–
Percentage of the Board	57%	43%	–
Number of senior positions on the Board (CEO, CFO, SID and Chair)	3 (75%)	1 (25%)	–
Number in Executive Management	5	3	–
Percentage of Executive Management	62.5%	37.5%	–

IP Group over the reporting period for operational office locations. These disclosures can be found in the table on page 31. See our Task Force on Climate-Related Financial Disclosures ("TCFD") disclosure on page 32.

The table on page 31 shows IP Group's annual energy consumption for global operations, associated relevant greenhouse gas emissions and additional related information. This encompasses energy and emissions from office use and has been expanded beyond the minimum requirements to include emissions associated with business travel, staff commuting and IT purchases.

The methodology used for the calculation of greenhouse gas emissions is the "GHG Protocol Corporate Accounting and Reporting Standard". An "operational control" boundary has been applied. Carbon conversion factors have been taken from "UK Government GHG Conversion Factors for Company Reporting – 2022". Emissions are reported as tCO<sub>2</sub>e. Scope 2 emissions are reported as "location-based". Of our total reported energy consumption, 105,566 kWh was directly related to our UK operations, producing GHG emissions of 25 tCO<sub>2</sub>e, 86% of our total.

# MEANINGFUL IMPACT.

## ESG DISCLOSURES.

### Energy consumption and emissions

	2020	2021	2022	2023	2024	Difference vs 2023
On-site combustion (kWh)	n/a	n/a	n/a	n/a	n/a	–
Electricity (kWh)	67,165	169,604	122,880	92,245	110,365	20%
Road transport (kWh)	n/a	17,463	n/a	n/a	n/a	–
<b>Total Energy (kWh)</b>	<b>67,165</b>	<b>187,067</b>	<b>122,880</b>	<b>92,245</b>	<b>110,365</b>	20%
Scope 1 emissions (tCO <sub>2</sub> e)	–	–	–	–	–	–
Scope 2 emissions (tCO <sub>2</sub> e)	21	41	24	19	29	53%
Scope 3 emissions (tCO <sub>2</sub> e)	118	42	103	331	218	(34%)
Total emissions (tCO <sub>2</sub> e)	139	83	127	350	247	(29%)
<b>Emissions intensity</b>						
<b>tCO<sub>2</sub>e/FTE</b>	<b>1.4</b>	<b>0.9</b>	<b>1.46</b>	<b>3.7</b>	<b>2.7</b>	(27%)
<b>Emissions intensity</b>						
<b>tCO<sub>2</sub>e/m<sup>2</sup></b>	<b>0.07</b>	<b>0.05</b>	<b>0.15</b>	<b>0.4</b>	<b>0.3</b>	(25%)

### Emissions intensity

IP Group reports two metrics: emissions/staff number in FTE, and emissions per unit of office floor area in m<sup>2</sup>. The resulting emission intensity calculations for 2024 are:

- 2.7 tCO<sub>2</sub>e/FTE
- 0.3 tCO<sub>2</sub>e/m<sup>2</sup>

Our intensity metrics have fallen by 27% and 25% respectively.

### Performance

Our Scope 2 emissions increased by 53% vs. 2023 as a result of employees spending more time in our offices. Scope 3 emissions fell by 34%, primarily as a result of fewer long haul flights being taken during the year.

### Energy efficiency actions

Our offices incorporate a number of energy-efficient technologies: the majority of light fittings are low energy LED, and motion sensors are installed to maximise energy efficiency. Other appliances and large office equipment such as printers and laptops are of energy-efficient design. In 2024 our team participated in the “10 in 10” collective energy reduction campaign at our office estate, the goal of which was to achieve a 10% reduction in energy consumption during a ten-week period.

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES.

IP Group's carbon footprint and overall exposure to climate risk is low. Through our investments we have an opportunity to contribute to the transition away from fossil fuels and enable organisations and governments to meet their Net Zero goals sooner and support the Paris Agreement on climate.

We are well positioned on each of the four elements of climate-related financial disclosures recommended by the TCFD.

## Governance

Our Board and various Committees ensure active and ongoing oversight of the Group's management of climate-related risk and opportunities.

## Strategy

Climate-related risks and opportunities are integrated into our broader Group-level strategy and operational processes. The Group's strategy, taking into consideration different climate-related scenarios is resilient. Our purpose focuses us on impact and we back and support businesses that aim to meaningfully contribute to a healthier, tech-enriched and regenerative future, including businesses whose technologies support action on climate.

## Risk Management

We adopt a multifaceted approach to understanding potential risks to our business and portfolio companies and ensuring that appropriate mitigations and controls are enacted for material issues. Climate-related risks are included in these efforts. We benchmark our overall ESG and climate risk management process and disclosures with external ESG ratings agencies, to ensure that we are in line with or above peers.

## Metrics and Targets

In the short term, we aim to become a Net Zero company by 2030, and aim to achieve this ambition within this time frame by taking a pragmatic approach and using high quality carbon offsets in respect of

Scope 2 and 3 emissions. We have already reduced our overall operational emissions using various other strategies to date, including the implementation of hybrid working, moving offices to more sustainable premises, undertaking business travel only when necessary, and working with our suppliers to reduce Scope 3 emissions. Whilst we believe that we should continue to pursue emissions mitigation activities for Scope 3 emissions, given that fully decarbonised aviation technologies will not be available at scale by 2030, we are planning to meet our commitment to Net Zero in the short term using high-quality carbon offsets.

In the medium to long term, we are investing in companies which are creating low carbon solutions, as demonstrated in the opportunities section on page 36. Further, we do not invest, and do not intend to invest, in carbon emitting infrastructure.

A summary of our compliance with the recommended TCFD disclosures can be found on page 37.

## Governance

Our approach to ESG and responsible investment and our related policies are overseen by the Board.

The Board has delegated accountability for climate risk and strategy (including monitoring our commitment to becoming a Net Zero company) to the Executive Directors, with the CFOO having overall responsibility for ESG and climate matters. Our investment process considers and incorporates ESG matters, including compliance with our Ethical Investment Framework, which is overseen by our Ethics Committee. Our ESG Committee has responsibility for the oversight and implementation of our ESG and Sustainability policy, monitoring current ESG practices within our portfolio companies and ensuring good stewardship and governance of our portfolio companies.

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### Committee mandates and responsibilities

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#### Board

The Board oversees climate-related matters which take into account climate-related risks and opportunities.

The CFOO has overall responsibility for ESG and climate matters and three members of the Board play an active role in the functioning and duties of the ESG Committee.

Key matters pertaining to ESG and climate-related risks are discussed amongst the Executive Team and at the Board. An update on the Group's ESG activities, as well as key matters or considerations with respect to climate or broader ESG, are included in the regular CFOO update to the Board.

Climate-related considerations are factored into the broader IP Group risk management process and risk register.

#### ESG Committee

The ESG Committee meets on a regular basis, and has day to day responsibility for implementing the Group's ESG strategy, defining the Group's ESG risk policy, reviewing climate risks, monitoring adherence to climate risk tolerance, and reviewing all key climate-related risks and opportunities.

The Committee is chaired by the CEO and attended by the CFOO, a Non-executive Director, Director of Communications, UK General Counsel, and representatives from our investment partnerships and operational teams.

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# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES.

## Strategy

### Our approach to assessing and managing climate-related risks and opportunities

IP Group carries out a climate risk and opportunities analysis of its operations and most material companies. The methodology used in our 2023 analysis aligned to the TCFD recommendations and reporting framework. It considered a short-to-medium-term, and a long-term time horizon, and used Network for Greening the Financial System (“NGFS”) scenarios to assess physical and transition risks for different time horizons and assess potential material financial impact on the organisation. This work was updated in 2024 to account for changes to the Group’s portfolio in the year and was found to be sound with no material changes to risks or opportunities.

Full details of the approach and findings were published in our 2023 Annual Report (pages 48 to 56) and a summary is provided below.

**Time horizons:** Due to the long-term nature of our investments and given the size and stage of our companies we do not anticipate material risks within a time horizon less than five years. Climate-related issues often manifest themselves over the medium and longer terms and for this reason we looked at periods over five years and up to ten years as medium term and over ten years as long term.

**Scope:** We considered key risks at our organisational level (IP Group) in addition to key risks at an investment level (with respect to the portfolio in which we invest). The determination of the severity of the risk assessed both physical risks and transition risks.

**NGFS scenarios tested:** Orderly transition scenario; Disorderly transition scenario; Hothouse world scenario.

### Analysis approach:

<b>Materiality analysis</b>	Identify likely material sustainability issues for our Group and portfolio.
<b>Scenario analysis</b>	Overlay key material issues identified for physical and transition risks, across various scenarios aligned with the NGFS for different time horizons.
<b>Risk analysis</b>	Gauge level of risks across physical and transition dimensions.
<b>Disclosure</b>	Summarise key findings and highlight any mitigation actions for risks and any actions with respect to opportunities identified.

**Global themes:** Looking at the macro landscape, we see three global themes relevant to us as a Group:

- Increasing societal imperative for a regenerative world accelerating the demand for changes in industry structure and social and economic reforms
- Increasing climate regulation
- Increasing capital flow into climate transition technologies

#### Overall conclusions:

- There were no red flags identified and overall climate risk at Group and portfolio level is low. See summary tables on pages 34 and 35.
- Our Group and portfolio are highly resilient to the transition to a lower-carbon economy consistent with a 1.5°C or lower scenario, and additional scenarios consistent with increased physical climate-related risks.
- The portfolio is well positioned to benefit from the transition to a low carbon world due to its low exposure to climate-related risks and because of the large number of companies whose core technology and/or product offering address opportunities for energy transition.
- Climate-related R&D and innovation, expansion of low emission goods and services across the portfolio, and successful investment in new technologies were identified as the most material opportunities for IP Group. See page 36.

## Risk Management

### Risks and resilience

Our risk analysis used quantitative scoring for key material factors across the three NGFS climate scenarios. We used a time horizon extending to 2050 for physical risks and a time horizon of 2040 for transition risks.

See 2023 Annual Report pages 50 and 51 for detail on our assessment approach, scenarios, TCFD factors considered, and scoring approach.

### IP Group risk summary

The 2023 analysis concluded that risk to IP Group is low across all scenarios in the following TCFD categories:

- Policy and legal risk (transition risks) from increasingly stringent reporting requirements around climate risk, including TCFD and SECR.
- Market risk and reputational risk (transition risks) from failing to incorporate climate change fully into investment screening and due diligence processes.
- Acute risk and Chronic risk (physical risks) caused by business interruption due to extreme weather events taking electricity or telecommunications networks offline.

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES.

## Summary of key risks

Risk description	Climate scenarios			Mitigation measures
	Orderly Transition	Disorderly Transition	Hot House World	
<p><b>IP Group plc:</b> Policy/legal risk from increasingly stringent reporting requirements around climate risk, including TCFD and SECR.</p> <p><b>TCFD Risk category:</b> Policy and Legal Risks (Transition Risks)</p>	●	●	●	Ensure robust climate governance structure is in place, which appropriately manages climate risks throughout the organisation, including specifying which climate considerations should be considered as part of pre-investment due diligence.
<p><b>IP Group plc:</b> Risk of failing to incorporate climate change fully into investment screening and due diligence process.</p> <p><b>TCFD Risk category:</b> Market Risk and Reputation Risk (Transition Risks)</p>	●	●	●	Formalise the incorporation of climate change specific risk screening questions in the pre-investment due diligence process.
<p><b>IP Group plc:</b> Business interruption because of extreme weather events taking electricity or telecommunications networks offline.</p> <p><b>TCFD Risk category:</b> Acute Risk and Chronic Risk (Physical Risks)</p>	●	●	●	Develop back up and resiliency plans which account for potential impacts of climate change.
<p><b>Portfolio:</b> Risk of supply chain disruption, which limits the availability of component parts required for manufacturing for certain companies.</p> <p><b>TCFD Risk category:</b> Acute Risk and Chronic Risk (Physical Risks)</p>	●	●	●	Support portfolio companies to review supplier sourcing strategies; encourage companies to develop contingency plans for when one supplier is affected; and encourage companies to avoid over concentration of risk with key suppliers.
<p><b>Portfolio:</b> Risk of increased cost of raw materials and production costs.</p> <p><b>TCFD Risk category:</b> Acute Risk and Chronic Risk (Physical Risks)</p>	●	●	●	Support portfolio companies to explore whether certain inputs can be substituted for others that may be more cost effective or have higher availability; and encourage portfolio companies to develop diversified supplier sourcing strategies.

### KEY



LOW

Low impact to overall business model/operations and revenue streams. There is minimal, if any impact to the operations/revenue streams and/financial position, of the company.



MEDIUM

Medium impact to business model/operations and revenue streams. There could be some disruption, but the business is able to adapt/mitigate and continue operations. The core service/product offering and/or financial position, is not impacted.



HIGH

There could be a major impact to either the operational capability and/or products and services. The company suffers severe disruption to its operations and revenue streams as well as financial position due to the impact of climate change and the transition to a greener economy, requiring a major pivot with respect to its core products or services.

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES.

Risk description	Climate scenarios			Mitigation measures
	Orderly Transition	Disorderly Transition	Hot House World	
<p><b>Portfolio:</b> Risk of product failure due to extreme weather conditions driven by climate change for companies with products operating in harsh environments exposed to extreme weather conditions.</p> <p><b>TCFD Risk category:</b> Acute Risk and Chronic Risk (Physical Risks)</p>	●	●	●	Review product design and testing with portfolio companies that may be exposed to this risk.
<p><b>Portfolio:</b> Reputational risks associated with the decommissioning, recycling and non-recyclable waste associated with renewable energy products and/or energy storage systems e.g. fuel cells and batteries.</p> <p><b>TCFD Risk category:</b> Policy and Legal Risks, Reputational Risks (Transition Risks)</p>	●	●	●	Support portfolio companies to develop business models and strategies that reduce waste and encourage re-use and facilitate recycling.
<p><b>Portfolio:</b> Risks to product deployment where companies are exposed to harsh weather conditions that may be exacerbated by climate change.</p> <p><b>TCFD Risk category:</b> Acute Risk and Chronic Risk (Physical Risks)</p>	●	●	●	Support portfolio companies where this risk may apply to factor climate conditions into product design and testing.

**KEY**



LOW

Low impact to overall business model/operations and revenue streams. There is minimal, if any impact to the operations/revenue streams and/financial position, of the company.



MEDIUM

Medium impact to business model/operations and revenue streams. There could be some disruption, but the business is able to adapt/mitigate and continue operations. The core service/product offering and/or financial position, is not impacted.



HIGH

There could be a major impact to either the operational capability and/or products and services. The company suffers severe disruption to its operations and revenue streams as well as financial position due to the impact of climate change and the transition to a greener economy, requiring a major pivot with respect to its core products or services.

## Portfolio risk summary

Following the 2024 testing we have adjusted our portfolio company risk summary table as follows. The overall number and distribution of material companies in the portfolio has changed due to the sale of the Deeptech Garrison and Featurespace companies during the year and changes to the valuations of some of our other Deeptech and Life Sciences portfolio companies. These portfolio changes did not have a material impact on our overall key risk profile as set out in the 2023 Annual Report.

Investment theme	Sum of total risks	Number of companies	Average risk
Cleantech	82	5	16.4
Life Sciences	128	8	16
Deeptech	-	No material companies	-

No company in our analysis breaches the high-risk threshold across both the physical and transition risk assessments and over the various scenarios that were used.

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES.

## Categorising our opportunities

Climate-related R&D and innovation, expansion of low emission goods and services across the portfolio, and successful investment in new technologies were identified as the most material opportunities for IP Group based on the size of the opportunity and the ability to execute it. These opportunities fell into the following categories (see more detail on 2023 Annual Report page 55).

	Opportunity context	TCFD categories
<b>Low carbon energy generation</b>	<p>We expect to see a continuing increase in demand for low carbon energy generation, such as fusion energy, as the world transitions to zero carbon. We also expect to see significant demand for small-scale, localised wind energy generation.</p> <p>Portfolio companies in this category: First Light Fusion, Hysata, OxCCU</p>	<ul style="list-style-type: none"> <li>• Products and services</li> <li>• Markets</li> <li>• Energy source</li> </ul>
<b>Energy use reduction</b>	<p>In addition to a different energy paradigm, there will also be a drive for reduction and efficiency in energy usage. This will be from both a retail perspective as homeowners seek to lower their energy costs and reduce emissions, as well as in industrial applications and the transport sector.</p> <p>Portfolio companies in this category: Helio Display Materials, Mixergy</p>	<ul style="list-style-type: none"> <li>• Products and services</li> <li>• Markets</li> <li>• Resource efficiency</li> </ul>
<b>Energy storage</b>	<p>There will be growing need for storing various forms of renewable energy from solar, wind and hydrogen. We see a significant opportunity as demand for fuel cell technology grows and we expect the demand for low cost and long duration fuel cell storage will grow significantly as the world decarbonises and electric vehicles proliferate.</p> <p>Portfolio companies in this category: RFC Power, Bramble Energy</p>	<ul style="list-style-type: none"> <li>• Products and services</li> <li>• Markets</li> <li>• Resource efficiency</li> </ul>
<b>Carbon capture and water availability</b>	<p>There will be increasing demand for emissions reduction technologies including carbon capture and growing demand for technologies that help in the conservation, cleaning and filtering of water.</p> <p>Portfolio companies in this category: Alithic, ElectraLith</p>	<ul style="list-style-type: none"> <li>• Products and services</li> <li>• Markets</li> <li>• Resource efficiency</li> </ul>

## Metrics and Targets

Our finance team monitors the number of Cleantech investments in our portfolio and overall portfolio balance between Cleantech and other investments.

In terms of business operations, we aim to become a Net Zero company by 2030, based on the emissions we are able to measure:

- Scope 1: We do not have Scope 1 emissions
- Scope 2: We measure and disclose Scope 2 for our operational boundary
- Scope 3: We measure and disclose business travel and commuting as part of Scope 3. For Scope 3, the Group does not currently collate data on financed emissions, but we are working towards doing so in future.

As our overall emissions are very low, an intensity ratio allows us to better gauge our energy efficiency and overall strategy to increase energy efficiency, as well as make cross-industry comparisons. We use the following intensity metrics:

- tCO<sub>2</sub>e/FTE (full time equivalent employee)
- tCO<sub>2</sub>e/m<sup>2</sup> (of office space)

See page 31 for our energy and emissions disclosures.

## Integrating climate risks and opportunities into businesses, strategy and financial planning

We have established two key strands to integrate climate risks and opportunities into business strategy and financial planning:

- Reduce and mitigate climate risk by integrating assessment findings into our Group risk management process. See our risk management process on page 38.
- Capitalise on climate opportunities by leveraging our insight, relationships, capital and expertise to continue to build our Cleantech portfolio.

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES.

## IP Group considers climate-related risk to be financially immaterial in the context of the Company's overall financial statements.

IP Group has complied with the requirements of UK LR 6.6.6R (9) and the Companies Act Section 414CA by including climate-related financial disclosures consistent with the TCFD recommendations and recommended disclosures. We have considered Section C Guidance for All Sectors, and Section E of the TCFD Annex entitled 'Supplemental Guidance for Non-Financial Groups' in developing this disclosure. The table below describes our compliance with each area of the disclosure and where this information can be found in this Annual Report and in our 2023 Annual Report disclosure.

### DISCLOSURE LEVEL KEY



Full



Partial



Omitted

Section	Recommendation	2024 disclosure level	Reference
<b>Governance</b> Disclose the organisation's governance around climate-related risks and opportunities.	a. Describe the Board's oversight of climate-related risks and opportunities.	●	Page 32
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	●	Page 32
<b>Strategy</b> Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	●	Pages 34 to 36 and 2023 Annual Report page 50
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	●	Page 33
	c. Describe the resilience of the organisation's strategy. Taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	●	Page 33 and 2023 Annual Report page 50
<b>Risk Management</b> Disclose how the organisation identifies, assesses and manages climate-related risks.	a. Describe the organisation's processes for identifying and assessing climate-related risks.	●	Page 33
	b. Describe the organisation's processes for managing climate-related risks.	●	Pages 33 to 35
	c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	●	Page 32
<b>Metrics and Targets</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where the information is material.	a. Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management processes.	●	Page 36
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	●	Page 31
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities, and performance against targets.	●	Page 36

# RISK MANAGEMENT.

## Managing risk: our framework for balancing risk and reward

### Governance

Overall responsibility for the risk framework and definition of risk appetite rests with the Board who, through regular review of risks, ensure that risk exposure is balanced with an ability to achieve the Group's strategic objectives. The IP Group Risk Council is the Executive body that operates to establish, recommend and maintain an appropriate risk management framework for the Group and to oversee the effective application of the framework across the business. The Risk Council is chaired by the CFOO, its members include the Company Secretary and Finance Director, and it has representation from operational business units as required during the year. Risk identification is carried out through a bottom-up process via operational risk registers maintained by individual teams, which are updated and reported to the Risk Council at least annually. There is additional top-down input from Executive Management, with a Non-executive review carried out by the Audit and Risk Committee at least annually.

### Risk management process

Ranking of the Group's risks is carried out by combining a scoring of their impact and likelihood. Operational risks are aggregated into strategic risks, which identifies key themes, and ultimately informs our principal risks, which are described in the Principal risks and uncertainties section of this report. The operations of the Group, and the implementation of its objectives and strategy, are subject to a number of principal risks and uncertainties. Were more than one of the risks to occur together, the overall impact on the Group may be compounded.

The design and ongoing effectiveness of the key controls over the Group's principal risks are documented using a "risk and control matrix", which includes an assessment of the design and operating effectiveness of the controls in question. The key controls over the Group's identified principal risks are reviewed as part of the Group's risk management process, by management, the Audit and Risk Committee and the Board during the year. However, the Group's risk management programme can only provide reasonable, not absolute, assurance that principal risks are managed to an acceptable level.

Risk management activity in 2024 included updating the Group's existing operational, strategic and principal risk registers; updating and testing the key controls over principal risks and conducting an assessment of the strategic risks; and the appropriateness of our principal risks and discussion of emerging risks via a Board risk workshop.

### Risk Council activity

During 2024, the Risk Council continued to oversee the Group's existing risk management framework, enhancing risk management and internal control processes and, in doing so, supported the Board in exercising its responsibility surrounding risk management.

During the year, one area of focus for the Risk Council was developing an implementation plan for the revised UK Corporate Governance Code, released in January 2024, which confirmed changes to UK companies' requirements in respect of the review and reporting requirements for material controls "Provision 29 requirements", which will apply to financial years beginning on or after 1 January 2026. This included workshop sessions facilitated by PwC to agree a controls governance framework and identification of a sub-set of the Group's risks which would be considered to be material. In 2025 we will move forward with identifying a corresponding set of material controls whose operation will form the basis of the Group's Provision 29 requirements.

Other areas of focus for the Risk Council during the year included:

- Review of consolidated operational risk registers following bi-annual updates
- Monitoring the completion status of remediation points raised by our internal audit process
- Review of the results of an annual testing of the Group's key controls performed by PwC's internal audit team
- Oversight of plans to wind-up our Hong Kong operations following the decision not to proceed with a fund in this geography
- Review of materials used for a Board risk workshop
- Monitoring of the Group's key risk indicators
- Other procedural matters including overview of the completion status of e-learning programmes, review of the Group's conflicts policy and review of gifts and hospitality as part of our anti-bribery controls

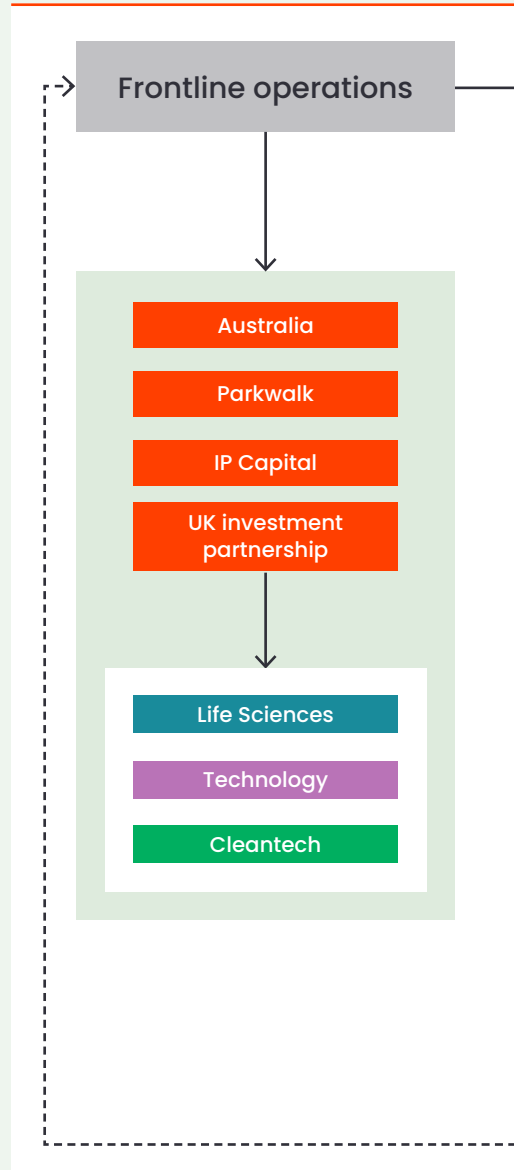
The Risk Council was supported during the year by PwC's Internal Audit team which conducted testing work over the operating effectiveness of the Group's key controls over its principal risks and advised on the implementation of the UK Corporate Governance Code 2024 Provision 29 requirements as set out above.

# RISK MANAGEMENT.

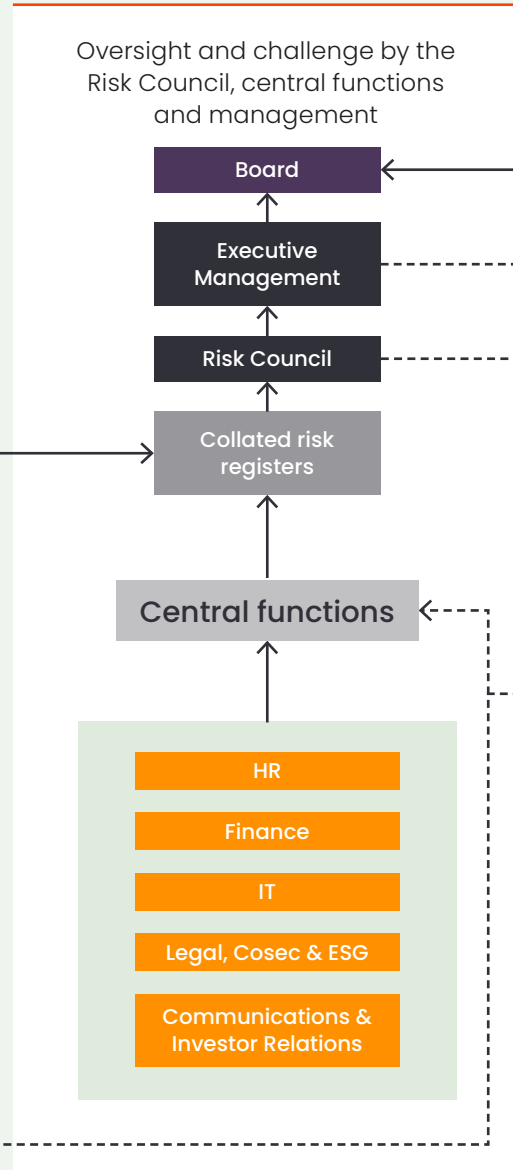
## IP GROUP RISK MANAGEMENT FRAMEWORK

Direct reporting →  
Review and challenge -->

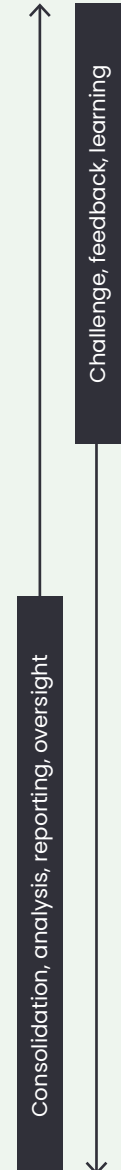
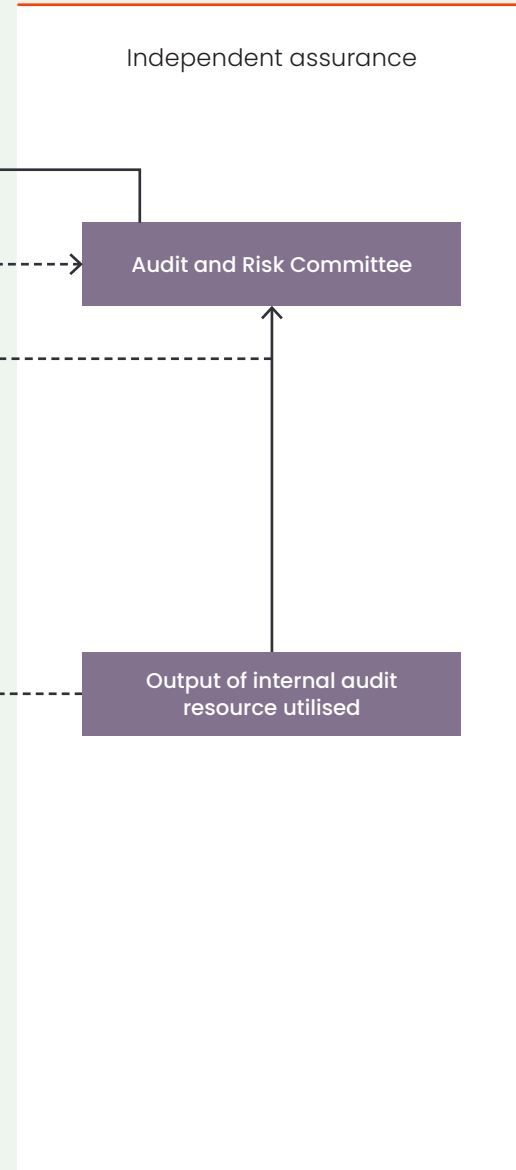
### 01 First line of defence



### 02 Second line of defence



### 03 Third line of defence



# RISK MANAGEMENT.

## Principal and emerging risks

A summary of the principal risks affecting the Group and the steps taken to manage these is set out in this section. Further discussion of the Group’s approach to principal risks and uncertainties is given on page 70 of the Corporate Governance Statement and page 104 of the Audit and Risk Committee Report, while further disclosure of the Group’s financial risk management is set out in note 3 to the consolidated financial statements. Following the 2024 annual review process, the heatmap below describes the relative potential risks posed by each of the Group’s identified principal risks ranked in terms of relative impact and relative likelihood.

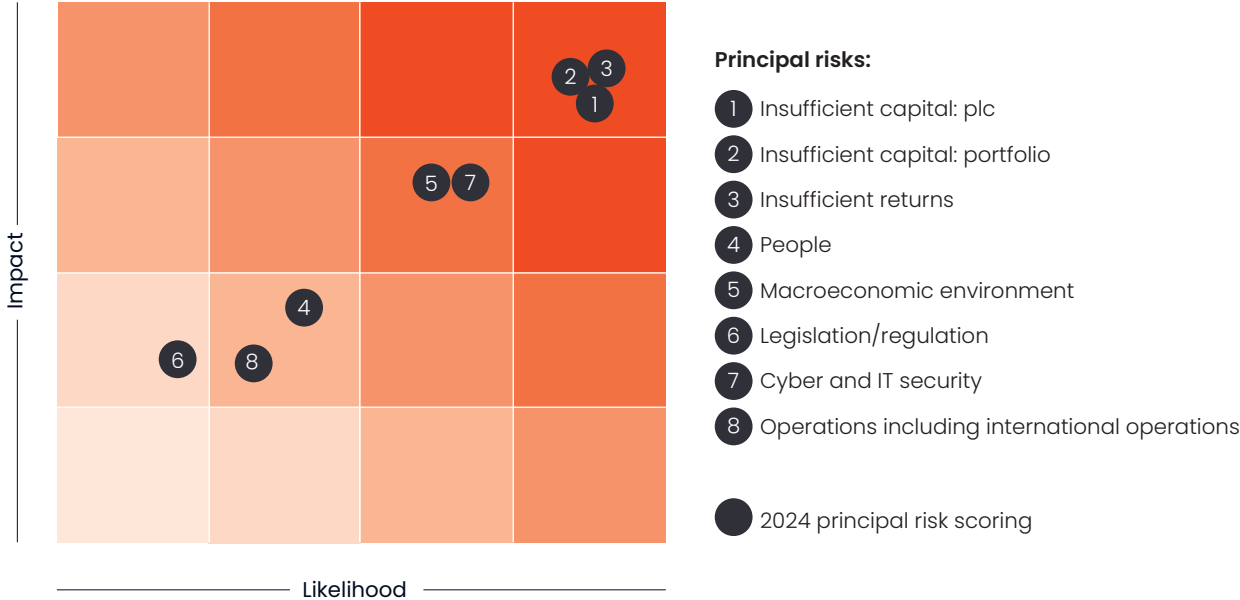
## Risk appetite

The Group accepts that certain risks are inherent in achieving its strategic aims, which are set out in the Strategy section of the report on page 15. The Group accepts risk provided it is consistent with the Group’s purpose and strategy, and where it can be effectively managed and offers an appropriate trade-off between risk and reward. The Board has determined its risk appetite in relation to each of its principal risks and considered appropriate metrics to monitor performance relative to defined thresholds.

## Emerging risks

The Group manages its emerging risks through a process of risk identification, including regular updates to the Group’s operational risk registers and horizon scanning, combined with risk severity scoring. Emerging risk themes considered by the Group in 2024 included technological risks such as misinformation and disinformation, adverse outcomes of AI technologies and cyber insecurity as well as environmental, geopolitical, societal and economic risks. The board considered that economic risks posed the greatest risk to the Group in the longer-term and that there was an opportunity for the Group’s portfolio companies to create solutions or alternatives to address emerging environmental risks.

## Principal risk heatmap



# RISK MANAGEMENT.

## PRINCIPAL RISKS AND UNCERTAINTIES

### 01 The Group may have insufficient capital to deliver its investment strategy

The Group's business model relies on the recycling of capital for re-investment from realisations, with a proportion of realisations also being allocated to shareholder returns. In the longer term, other sources including debt and equity issues may be used to manage the Group's capital position. The ability of the Group to deliver realisations and raise additional funding is influenced by macroeconomic and capital market conditions.

#### Link to strategy



Access to sufficient capital allows the Group to deliver its investment strategy thereby delivering attractive financial returns

#### Actions taken by management

- The Group has significant balance sheet capital and managed funds capital to deploy in portfolio opportunities
- The Group regularly forecasts cash requirements of the portfolio to ensure that the Group's investment plans reflect currently available capital and expected realisations
- The Group ensures that sufficient cash is available to maintain headroom over debt covenants and regulatory capital requirements

#### Examples of risk

- The Group may not be able to provide the necessary capital to key assets, which may affect the portfolio companies' performance or dilute future returns of the Group
- The Group may not be able to realise capital from its portfolio to fund the desired level of investment activity in the portfolio

#### Development during the year

- Cash proceeds totalled £183.4m in 2024
- The Group raised £95m of third party-funds during 2024
- The Group continued its investor outreach exercise with the goal of raising a UK scale-up fund
- We continue to maintain a close dialogue with the Group's equity and debt investors
- The Group's share price continued to trade below NAV during the year
- The quoted portfolio value saw a fair value reduction of £51.6m in the year

#### Risk appetite



#### Change from 2023



### KEY

#### STRATEGIC PILLARS



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#### CHANGE FROM 2023



Increase



Decrease



No change

#### RISK APPETITE



Very low



Low



Balanced



High



Very high

# RISK MANAGEMENT.

## PRINCIPAL RISKS AND UNCERTAINTIES

02

**It may be difficult for the Group's portfolio companies to attract sufficient capital**

Many of the Group's portfolio companies are in their development or growth phases and will fund their growth through raising additional capital from IP Group and other co-investors. The ability of portfolio companies to attract further capital is influenced by their financial and operational performance and the general economic climate and trading conditions, particularly in the UK.

### Link to strategy



Access to sufficient levels of capital allows the Group's portfolio companies to invest in technology and commercial opportunities to ensure future financial returns.

### Actions taken by management

- The Group maintains Board representation on the majority of its portfolio companies and monitors their funding position and plans
- The Group regularly forecasts cash requirements of the portfolio and tracks those with a heightened funding risk
- The Group operates a corporate finance function, which is experienced in carrying out fundraising mandates for portfolio companies
- The Group maintains close relationships with a wide variety of co-investors that focus on companies at differing stages of development

### Examples of risk

- Portfolio companies may not be able to close investment rounds, reducing their ability to scale quickly and in extremis leading to company failure
- Reduced investor appetite may lead to lower valuation funding rounds, resulting in an unrealised fair value loss in the value of the Group's holding
- Lack of investor appetite for IPOs may mean that this is not a viable funding option for portfolio companies in the short to medium term

### Development during the year

- The Group's portfolio raised £785m in 2024, with £63m (c. 8%) of this funding being provided by IP Group
- IP Capital worked on 5 corporate finance engagements during the year
- Excluding the Oxford Nanopore holding, the Group held board seats on 77.4% of portfolio companies valued at greater than £5m by value
- Our third-party funds had capital to deploy of £119.1m at year end
- IP Group hosted a flagship investor event which showcased a number of the Group's portfolio companies to existing and new investors
- We continued international investor roadshows in the year in the US, UK, EU and Middle East

### Risk appetite



### Change from 2023



### KEY

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#### CHANGE FROM 2023



Increase



Decrease



No change

#### RISK APPETITE



Very low



Low



Balanced



High



Very high

# RISK MANAGEMENT.

## PRINCIPAL RISKS AND UNCERTAINTIES

### 03 The returns generated by the Group's portfolio may be insufficient

The Group's portfolio of science-based businesses has the potential to deliver outsize returns, however they are by their nature riskier than more stable, lower-yielding asset classes or companies. The Group may not realise a sufficient return on its invested capital at an individual company or overall portfolio level.

#### Link to strategy



Insufficient investment returns reduce the Group's ability to deliver attractive returns to shareholders and may also limit the Group's ability to raise additional capital.

#### Actions taken by management

- The Group's employees have significant experience in sourcing, developing and growing early-stage technology companies to significant value
- There is a rigorous process for the approval of investments and divestments within a delegated authority framework
- Members of the Group's investment teams typically serve as Non-executive Directors to portfolio companies to help identify and remedy critical issues
- The Group has portfolio company holdings across different sectors to reduce the impact of a single company failure or sector decline
- The Group employs a capital efficient process deploying low levels of initial capital to enable identification and mitigation of potential failures at the earliest possible stage

#### Examples of risk

- Portfolio company failure directly impacts the Group's value and profitability
- Concentration of value within a small numbers of companies could exacerbate the impact of any impairment or failure of one or more of these companies
- The value of the Group's drug discovery and development portfolio companies may be significantly impacted by a negative clinical trial result

#### Development during the year

- We completed five new balance sheet investments during the year, and a further 23 within Parkwalk
- Excluding the Oxford Nanopore holding, the Group held board seats on 77.4% of portfolio companies valued at greater than £5m by value
- Balance sheet investment decision-making was consolidated within a single Investment Committee during the year, which we believe will aid investment decision-making compared with previous sector-specific Investment Committees

#### Risk appetite



#### Change from 2023



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### CHANGE FROM 2023



Increase



Decrease



No change

### RISK APPETITE



Very low



Low



Balanced



High



Very high

# RISK MANAGEMENT.

## PRINCIPAL RISKS AND UNCERTAINTIES

### 04 The Group may lose key personnel or fail to attract and integrate new personnel

The industry in which the Group operates is a specialised area and the Group requires highly qualified and experienced employees. There is a risk that the Group's employees could be hired by competitors or other technology-based companies and organisations or could otherwise choose to leave the Group.

#### Link to strategy



The Group's strategic objective to develop and scale a portfolio of compelling science-based businesses capable of delivering attractive financial returns on our assets, is dependent on the Group's employees who work with the portfolio companies and those who support them.

#### Actions taken by management

- Detailed succession plan in place for all senior employees and other selected key-person dependencies
- Regular compensation benchmarking carried out for all employees
- Maintenance of a balanced incentive package comprising a mix of salary, benefits, performance-based long-term incentives, and benefits such as flexible working and salary sacrifice arrangements
- The Group encourages employee development and progression through targeted learning and development activity, coaching and mentoring and supports this through the annual appraisal process
- The Group promotes an open culture of communication and provides an inspiring and challenging workplace where people are given autonomy to do their jobs. The Group is fully supportive of flexible working, empowering employees to work where and how works best to deliver against the requirements of their role
- An employee forum, "IP Connect" with an appointed designated Non-executive Director to facilitate dialogue with the Board in both directions. Part of IP Connect's remit is also to support the evolution of the culture and continuous improvement of working life at the Group

#### Examples of risk

Loss of key executives and employees of the Group or an inability to attract, retain and integrate appropriately skilled and experienced employees could have an adverse effect on the Group's competitive advantage, business, financial condition, operational results and future prospects.

#### Development during the year

- Continued excellent employee engagement scores obtained in the year from employee engagement surveys, with eNPS marginally improving in the year to +31 (2023: +27) which is within the "very high" category
- Continued high frequency of employee communications from Executive Directors and the Head of HR via regular virtual and in-person all-staff meetings
- Reduction in the overall number of employees as part of the cost-reduction exercise allows increased focus on the needs, desires and future development of individual employees, as well as creating short-term development opportunities within the new structure
- Approximately 64% of employees in place at 31 December 2024 have been with the Company for at least five years

#### Risk appetite



#### Change from 2023



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#### CHANGE FROM 2023



Increase



Decrease



No change

#### RISK APPETITE



Very low



Low



Balanced



High



Very high

# RISK MANAGEMENT.

## PRINCIPAL RISKS AND UNCERTAINTIES

### 05 Macroeconomic conditions may negatively impact the Group's ability to achieve its strategic objectives

Adverse macroeconomic conditions including volatility in interest rates and inflation could reduce appetite for investment within the sectors in which we operate. Geopolitical uncertainty including global conflicts may impact the cost of raw materials; changes to the labour market regulations may reduce the availability of highly skilled staff within the Group's portfolio; and protectionist policies may reduce trade and cross-border investment.

#### Link to strategy



The Group's strategic objective to develop a portfolio of commercially successful portfolio companies and deliver attractive financial returns on our assets and third-party funds can be materially impacted by the current macroeconomic environment.

#### Actions taken by management

- Senior management receive regular capital market and economic updates from the Group's capital markets team and its brokers
- Regular capital allocation process and ongoing monitoring against agreed budget
- Regular oversight of upcoming capital requirements of portfolio from both the Group and third parties
- The Group's Risk Council monitors key macroeconomic trends that may impact the Group

#### Examples of risk

- The success of those portfolio companies that require significant external funding may be influenced by the market's appetite for investment in early-stage and growth companies
- Of the Group's portfolio value, 17.7% is held in companies quoted on public markets and therefore subject to market price volatility

#### Development during the year

- Macroeconomic conditions improved in the year, as inflation continued to moderate in G8 countries, resulting in central banks starting to enact interest rate cuts. Annual UK CPI inflation fell from 7.3% in 2023 to 2.5% in 2025 and the UK base rate reduced from 5.25% at the start of the year to 4.75% at year end
- There remains significant uncertainty around whether inflation will persist in 2025 and result in a slower pace of central bank interest rate cuts
- Geopolitical risks including conflicts in Ukraine and the Middle East continued, with increased trade protectionism also emerging as a theme during the year
- The Group has maintained significant cash reserves available for investment and as such is well placed to respond to macroeconomic uncertainty

#### Risk appetite



#### Change from 2023



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#### CHANGE FROM 2023



Increase



Decrease



No change

#### RISK APPETITE



Very low



Low



Balanced



High



Very high

# RISK MANAGEMENT.

## PRINCIPAL RISKS AND UNCERTAINTIES

06

**There may be changes to, impacts from, or failure to comply with, legislation, government policy and regulation**

There may be negative impacts from changes in government policy, regulation or legislation and taxation. The Group may fail to comply with legislation and regulation, leading to financial and reputational damage.

### Link to strategy



The Group's strategic objectives of creating and maintaining a portfolio of compelling opportunities to deliver attractive returns for shareholders could be materially impacted by failure to comply with, or adequately plan for, a change in legislation, government policy or regulation.

### Actions taken by management

- The Group utilises professional advisors as appropriate to support its monitoring of, and response to changes in, tax, insurance or other legislation
- The Group delivers regular training in areas including bribery and anti-money laundering and regulatory compliance
- The Group has internal policies and procedures to ensure its compliance with applicable regulations
- The Group maintains Directors and officers ("D&O") and professional indemnity insurance policies
- The Group responds to public consultations and is in dialogue with the UK Government in policy areas such as the Enterprise Investment Scheme

### Risk appetite



### Examples of risk

- Changes to tax legislation or the nature of the Group's activities, in particular in relation to the Substantial Shareholder Exemption, may adversely affect the Group's tax position and accordingly its value and operations
- Regulatory changes or breaches could ultimately lead to withdrawal of regulatory permissions for the Group's authorised subsidiaries, resulting in loss of fund management contracts, reputational damage or fines

### Development during the year

- Ongoing focus on regulatory compliance, including third-party reviews and utilisation of specialist advisors
- The Group submitted a cessation notice for its Hong Kong licenses during the year as a result of the decision not to pursue fund operations in that geography

### Change from 2023



### KEY

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#### CHANGE FROM 2023



Increase



Decrease



No change

#### RISK APPETITE



Very low



Low



Balanced



High



Very high

# RISK MANAGEMENT.

## PRINCIPAL RISKS AND UNCERTAINTIES

### 07 The Group and its portfolio companies may be subjected to cyber attacks

A significant cyber/information security breach either within the Group or one of its portfolio companies could result in financial and reputational damage, business disruption and the loss of commercially sensitive information.

#### Link to strategy



The Group's strategic objectives of creating and maintaining a portfolio of compelling opportunities to deliver attractive returns for shareholders could be materially impacted by a serious cyber security breach at a corporate or portfolio company level.

#### Actions taken by management

- The Group reviews its data and cyber security processes with its external outsourced IT providers and applies the UK Government's "ten steps" framework or other national equivalents where relevant
- Regular IT management reporting framework in place
- Internal and third-party reviews of policies and procedures to ensure appropriate framework in place to safeguard data
- Assessment of third-party suppliers of cloud-based and on-premises systems in use
- Annual Cyber and IT training is supplemented by regular bite-sized and interactive cyber security training
- Network and infrastructure security systems to respond to emerging threats

#### Examples of risk

- The Group, or one, or a combination of, its portfolio companies could face significant fines from a data security breach
- The Group or one of its portfolio companies could be subjected to a phishing attack, which could lead to invalid payments being authorised or a sensitive information leak
- A malware or ransomware attack could lead to systems becoming non-functioning and impair the ability of the business to operate in the short term

#### Development during the year

- Ongoing focus on IT security and staff training
- Continued programme of phishing and penetration testing
- Implementation of additional cyber security systems to provide enhanced threat detection
- Onboarded strategic level legal and external communications resource to supplement response resources to a serious cyber incident
- A cyber attack simulation was undertaken in the year to rehearse the response to a serious cyber incident. The exercise revealed several strengths in IP Group plc's cybersecurity posture and incident response capabilities. The organisation demonstrated robust technical protections. Incident Management Teams (IMT), including Silver IMT, were activated promptly, and communication plans were well-executed. The legal team provided critical guidance on ransom payment decisions and regulatory reporting. The organisation also showed a proactive approach in reviewing access controls for all portfolio companies
- Review of key controls by the Group's internal auditors

#### Risk appetite



#### Change from 2023



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#### CHANGE FROM 2023

↑ Increase

↓ Decrease

↔ No change

#### RISK APPETITE

○ Very low

● Low

● Balanced

● High

● Very high

# RISK MANAGEMENT.

## PRINCIPAL RISKS AND UNCERTAINTIES

### 08 The Group may be negatively impacted by operational issues both from a UK central and international operations perspective

The potential exists for a negative impact to the Group arising from operational issues such as business continuity; and from the non-compliance of overseas operations with local laws and regulations; failure to integrate overseas operations with the Group; and an inability to foresee territory-specific risks and macro-events. The Group may also fail to establish effective control mechanisms, considering different working cultures and environments, leading to significant senior management time requirement, distracting from core day-to-day business.

#### Link to strategy



The Group's strategy includes building a portfolio of compelling intellectual property-based companies across the UK and Australia and New Zealand. The scale of the Group's operations, including internationally, represents increased importance of successful execution of its operations.

#### Actions taken by management

- Local legal and regulatory advisors have been engaged in the establishment phase of overseas operations. International teams typically have their own in-house legal teams and regularly report to the UK-based General Counsel
- Business continuity plans are in place for the Group and tested regularly
- Our executive recruitment function and HR are involved in senior hires for new territories. Senior international personnel include current and former UK employees, encouraging a shared culture across territories
- The risk management framework in place across each business unit has been established in each international territory and is integrated into the Group's regular risk management processes and reporting
- Third-party suppliers are used for international accounting and payroll services to reduce the risk of fraud within smaller teams

#### Examples of risk

- A legal or regulatory breach could ultimately lead to the withdrawal of regulatory permissions overseas, resulting in loss of trust, management contracts, reputational damage and fines
- Divergent Group cultures may lead to difficulties in achieving the Group's strategic aims
- Senior management may spend a significant amount of time overseeing non-UK territories, which could detract from central Group strategy and operations

#### Development during the year

- Continued coordination of risk reporting across Australia, New Zealand and Hong Kong
- Decision taken to discontinue Hong Kong operations
- Reviewed disaster recovery plans in the year

#### Risk appetite



#### Change from 2023



#### KEY

#### STRATEGIC PILLARS



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#### CHANGE FROM 2023



Increase



Decrease



No change

#### RISK APPETITE



Very low



Low



Balanced



High



Very high

## VIABILITY STATEMENT.

The Directors have carried out a robust assessment of the viability of the Group over a three-year period to December 2027, considering its strategy, its current financial position, its principal risks and its emerging risks. The three-year period reflects the time horizon reviewed by the Board, and over which the Group places a higher degree of reliance over the forecasting assumptions used.

The strategy and associated principal risks underpin the Group's three-year financial plan and scenario testing, which the Directors review and approve at least annually. As a business which seeks to accelerate the impact of science for a better future through our portfolio companies, our business model seeks to balance cash investments, the generation of portfolio returns and portfolio realisations. The three-year plan is built using a bottom-up model using assumptions for:

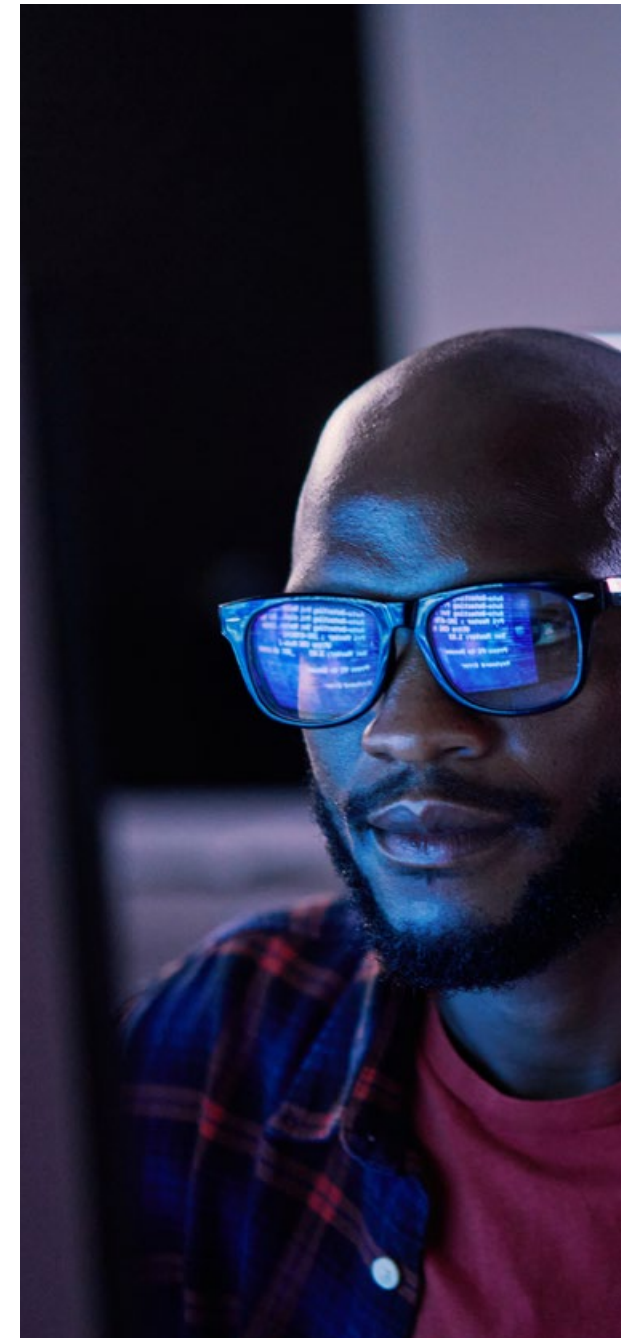
- the level of portfolio investment
- the level of realisations from the portfolio (net of carried interest payments)
- the financial performance (and valuation) of the underlying portfolio companies
- the Group's drawdown and repayment of its debt
- the Group's ability to raise further capital
- the level of the Group's net overheads and
- the level of dividends and share buybacks

Of the Group's principal risks, those relating to insufficient capital (both Group and portfolio companies), insufficient investment returns, and macroeconomic conditions are deemed to be the most relevant to the Group's viability assessment, due to their potential to impact the Group's liquidity position and net asset position, both of which directly impact the level of headroom over the Group's debt covenants. Other principal risks including personnel risk; legislation, governance and regulation; cyber and IT; and international operations could all have an impact on the Group's performance but are less likely to have a direct impact on viability within the assessment period.

To assess the impact of the principal risks highlighted above on the prospects of the Group, the financial plan is stress-tested by modelling severe, but plausible, and intermediate downside scenarios, where adverse impacts across the Group's principal risks relating to insufficient capital, insufficient investment returns, and macroeconomic conditions were considered as part of the review. Under the severe downside scenario, a 70% reduction in planned realisations and a 35% decline in portfolio fair values which were considered together with a series of mitigating actions, including reducing planned levels of investment.

Under these stress-testing scenarios, significant reductions to portfolio investments are made to preserve the Group's remaining cash balances. In all scenarios modelled, the Group remains solvent throughout the three-year period with no breach of debt covenants or a "cash trap period" occurring. See note 19 for further details on cash trap arrangements.

Based on this assessment, the Directors have a reasonable expectation that the Group will continue to operate and meets its liabilities, as they fall due, up to December 2027.



# WORKING WITH THE GROUP'S STAKEHOLDERS.

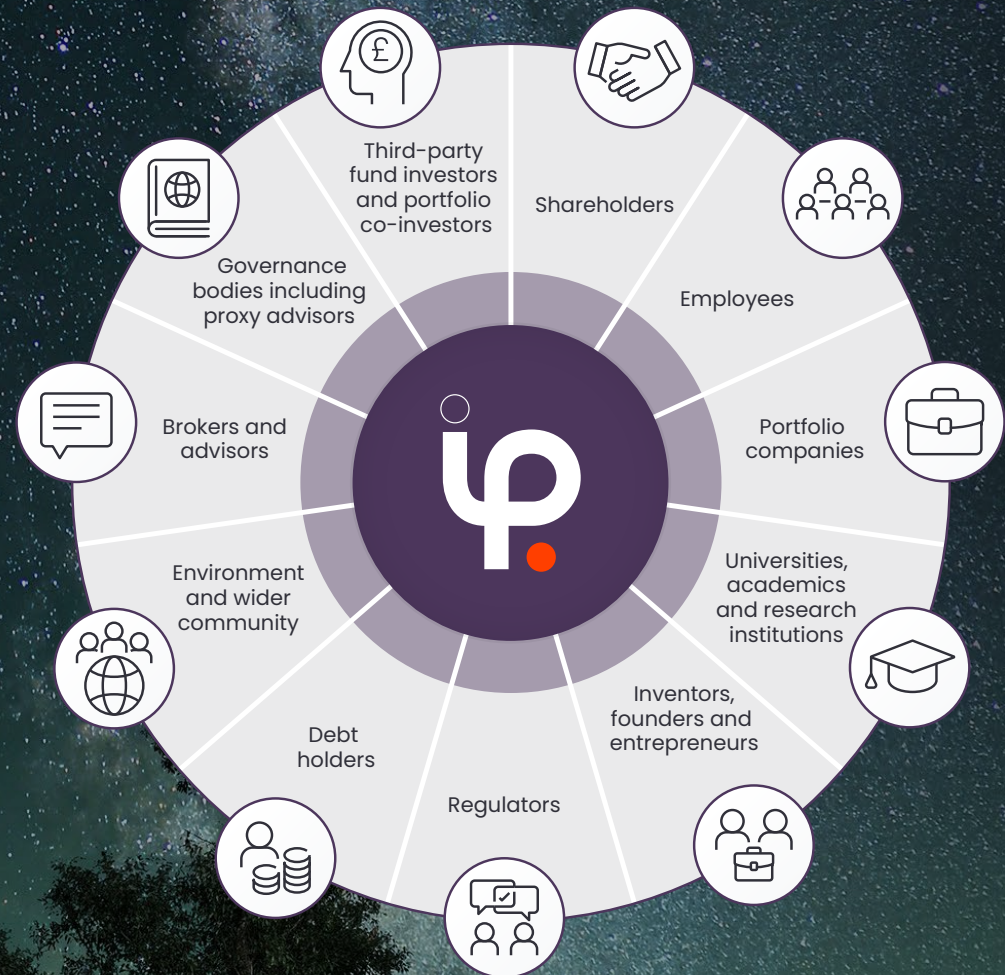
## Statement by the Directors in performance of their duties in accordance with s172(1) Companies Act 2006

The Directors of IP Group plc consider that they have acted both individually and together as a Board in the way that would be most likely to promote the success of the Company for the benefit of its members as a whole. This statement describes how the Board has had regard to the matters set out in s172(1) (a) to (f) Companies Act 2006 ("s172") when performing its duties for the year ended 31 December 2024.

### Engaging with stakeholders

Engaging and maintaining open channels of communication with the Group's stakeholders is an integral part of its business and critical to ensuring the future success of the business. The Group engages with its stakeholders in many forms, which allows for flexibility in the methods of engagement and enables the Company to facilitate constructive two-way engagement with its multiple stakeholders.


The following table sets out how the Group actively engages with its key stakeholders in a way that enables the Group's senior executives and Board members to understand the potential impact of decisions and actions on those stakeholders. And, further, so that the Group can be responsive to matters raised by key stakeholders and feed back to them how their views have been taken into account.




# WORKING WITH THE GROUP'S STAKEHOLDERS.

Name of stakeholder and relevant application of S.172	Why we engage	Engagement methods – who and how	Impact of engagement	<b>KEY</b> <b>S.172(1) FACTORS</b>
 <p><b>Shareholders</b></p> <p><b>s172(1)</b></p> <p>A E F</p>	<p>To ensure that:</p> <ul style="list-style-type: none"> <li>shareholders have a good understanding of and confidence in the Group's strategy, performance, purpose and culture and that the Group's strategy remains focused on delivering returns to shareholders</li> <li>the Group fosters and maintains open and constructive relationships with its shareholders</li> <li>the Board understands the issues that are important to its shareholders</li> <li>the Board acts fairly between shareholders of the Company</li> </ul>	<ul style="list-style-type: none"> <li>Direct meetings/calls with individual shareholders, primarily with the Chair, Senior Independent Director, Executive Directors and senior management</li> <li>Direct shareholder access to the Chair, Senior Independent Director and Board Committee Chairs relating to matters within the relevant Committee's mandate</li> <li>Results announcements, investor roadshows and presentations in person and broadcast via the "Investormeetcompany" platform to enable broad audience engagement and real-time Q&amp;A</li> <li>Group capital market and sector showcase events which in 2024 included the annual Group Flagship Event at the Royal Society of Chemistry</li> <li>Broker-facilitated investor forums/conferences</li> <li>The Group's website, with investors being able to sign up to regulatory and portfolio company alerts</li> <li>Meetings with analysts and feedback from the Group's brokers</li> <li>Annual General Meeting ("AGM"), with the 2024 AGM streamed live on the "Investormeetcompany" platform. Shareholders were also able to submit questions in advance of the 2024 AGM</li> <li>Annual Report and Accounts</li> <li>RNS and RNS Reach announcements</li> <li>Shareholder circulars</li> <li>Dedicated IR and company secretarial mailboxes (IR@ipgroupplc.com and CoSec@ipgroupplc.com)</li> </ul>	<ul style="list-style-type: none"> <li>Closer and more direct links between shareholders and the Board, which has enabled the Board to gain a better understanding of shareholder expectations on the matters which have been most important to them in 2024; including strategy, financial performance, board composition, operating costs, capital allocation and share price/discount to NAV</li> <li>Enabled broader audience engagement and the ability to engage in a real-time Q&amp;A with shareholders on a number of occasions through the year</li> <li>Shareholder views communicated during results roadshows/AGM Q&amp;A as well as in-person meetings with defined agenda items between roadshows, have been specifically taken into account in the following Board decisions:                         <ol style="list-style-type: none"> <li>to continue and increase the Share Buyback programme on multiple occasions following a number of realisations through 2024, as detailed on page 12;</li> <li>to cancel all of the shares held in treasury (as further detailed on page 25);</li> <li>on the internal reorganisation exercise undertaken in H2 to improve efficiency and reduce the ongoing cost base of the Group, as detailed on page 12; and</li> <li>on strategy regarding access to third-party capital, as detailed on page 11.</li> </ol> </li> </ul>	<p><b>A</b></p> <p>the likely consequences of any decision in the long term</p> <p><b>B</b></p> <p>the interests of the Company's employees</p> <p><b>C</b></p> <p>the need to foster the Company's business relationships with suppliers, customers and others</p> <p><b>D</b></p> <p>the impact of the Company's operations on the community and the environment</p> <p><b>E</b></p> <p>the desirability of the Company maintaining a reputation for high standards of business conduct</p> <p><b>F</b></p> <p>the need to act fairly between members of the Company</p>



# WORKING WITH THE GROUP'S STAKEHOLDERS.

Name of stakeholder and relevant application of S.172	Why we engage	Engagement methods – who and how	Impact of engagement	KEY S.172(1) FACTORS
 <p><b>Employees</b></p> <p><b>s172(1)</b></p> <p>A B E</p>	<p>To be an attractive home for exceptional talent, which is critical to achieving the Group's strategy and vision.</p> <p>Meaningful engagement with employees also helps to foster a strong and supportive culture.</p>	<ul style="list-style-type: none"> <li>• IP Connect employee workforce forum, which was consulted on matters such as Executive remuneration and the reorganisation process undertaken in H2 2024</li> <li>• Designated Non-executive Director for employees who, amongst other things and alongside the Group People Director, attends all IP Connect meetings</li> <li>• Regular all-staff meetings in person and via video conference, with questions encouraged</li> <li>• Annual all staff interactive Q&amp;A session with the Non-executives</li> <li>• Annual all-staff events and regular staff social events</li> <li>• Weekly all-staff emails from the CEO</li> <li>• Staff intranet</li> <li>• Global third-party-hosted anonymous "speaking up" hotline and web reporting tool</li> <li>• Regular anonymised engagement surveys throughout the year</li> <li>• Internal training sessions</li> <li>• Women's Networking Group and associated events and initiatives/development sessions</li> <li>• Inclusion and Diversity Project including launch of internal reverse mentoring scheme</li> </ul>	<ul style="list-style-type: none"> <li>• Assisted the Board in understanding employee sentiment following the reorganisation. This in turn helped to frame communications, the balance of focus on exiting/retained employees and the appropriate management of key-person dependencies in the new structure</li> <li>• 90% of employees believe our culture is one in which diversity and diverse perspectives are valued, up from 66% before the Group started our Inclusion and Diversity Project</li> <li>• IP Connect played an integral role in the formulation and articulation of the Group's new values launched in 2024</li> </ul>	<p><b>A</b></p> <p>the likely consequences of any decision in the long term</p> <p><b>B</b></p> <p>the interests of the Company's employees</p> <p><b>C</b></p> <p>the need to foster the Company's business relationships with suppliers, customers and others</p> <p><b>D</b></p> <p>the impact of the Company's operations on the community and the environment</p> <p><b>E</b></p> <p>the desirability of the Company maintaining a reputation for high standards of business conduct</p> <p><b>F</b></p> <p>the need to act fairly between members of the Company</p>




# WORKING WITH THE GROUP'S STAKEHOLDERS.

Name of stakeholder and relevant application of S.172	Why we engage	Engagement methods – who and how	Impact of engagement	<b>KEY</b> <b>S.172(1) FACTORS</b>
 <p><b>Portfolio companies</b></p> <p><b>s172(1)</b></p> <p>A C E</p>	<p>To identify, back and grow science-based opportunities into a diversified portfolio of transformative businesses, which address some of the world's most pressing challenges.</p> <p>Part of the Group's purpose is to build businesses that have a positive social and environmental impact, and this forms an element of the Board's consideration of the long-term impact of its decisions.</p>	<ul style="list-style-type: none"> <li>• Hands-on approach via portfolio company boards as investor directors/observers</li> <li>• Offering fundraising and capital markets expertise via IP Capital (the Group's fund management and corporate advisory business), and commercial advice and support on IP strategy and due diligence via the Group's in-house IP Team</li> <li>• Group capital markets events, including presentations at sector showcase events and at the Group's annual flagship event</li> <li>• Portfolio company management team presentations to the Board, either at the Group's head office in London or onsite at the portfolio company, which enables open and transparent two-way engagement between the Board and the relevant portfolio company management teams</li> <li>• Introductions/facilitating access to co-investors</li> <li>• Attending sector conferences and events alongside portfolio companies and their management teams</li> <li>• Marketing including through the use of social media to amplify messaging around the portfolio</li> <li>• Parkwalk annual portfolio showcase attended by investors/co-investors, advisors and government bodies</li> <li>• Engagement with portfolio companies including through ESG survey and provision of portfolio company best-practice policy toolkit.</li> </ul>	<ul style="list-style-type: none"> <li>• Development of strong and mutually supportive relationships between the Group and its portfolio companies</li> <li>• Portfolio companies better understand the Group's approach to strategy, decision-making processes and capital allocation</li> <li>• The Group is able to use its investor director/observer positions to assist with governance, strategic planning and many other practical elements of building and growing a company</li> <li>• Support in achieving completion of a number of portfolio company financing rounds</li> <li>• Reduction of expenditure by portfolio companies on third-party advisory services</li> <li>• Enables the Group to operate more effective stewardship and oversight of portfolio companies throughout the year, including outside of investment cycles</li> </ul>	<p><b>A</b></p> <p>the likely consequences of any decision in the long term</p> <p><b>B</b></p> <p>the interests of the Company's employees</p> <p><b>C</b></p> <p>the need to foster the Company's business relationships with suppliers, customers and others</p> <p><b>D</b></p> <p>the impact of the Company's operations on the community and the environment</p> <p><b>E</b></p> <p>the desirability of the Company maintaining a reputation for high standards of business conduct</p> <p><b>F</b></p> <p>the need to act fairly between members of the Company</p>



# WORKING WITH THE GROUP'S STAKEHOLDERS.

Name of stakeholder and relevant application of S.172	Why we engage	Engagement methods – who and how	Impact of engagement	<b>KEY</b> <b>S.172(1) FACTORS</b>
 <p><b>Third-party fund investors and portfolio co-investors</b></p> <p>s172(1)</p> <p>A C E</p>	<p>To attract new strategic co-investors, including third-party fund managers, to invest alongside the Group either directly or via a vehicle or arrangement managed by the Group.</p> <p>To build an investment network to support co-investment into the Group's portfolio companies to ensure that they are adequately supported, both financially and in other areas such as board support, corporate governance and strategy.</p> <p>To maintain strong relationships with existing investors who invest in the Group's portfolio via funds or other arrangements managed by the Group.</p>	<ul style="list-style-type: none"> <li>• Direct meetings/calls between co-investors/third-party fund investors and members of the Group's senior management team</li> <li>• Direct meetings with the other Limited Partners in the Group's US platform</li> <li>• Via portfolio company boards where several co-investors have a board seat</li> <li>• Attending conferences and sector events</li> <li>• Group capital markets events including its annual flagship event</li> <li>• Broker-facilitated investor forums/conferences</li> <li>• Parkwalk Advisors annual portfolio showcase and other investor events</li> </ul>	<ul style="list-style-type: none"> <li>• Built/maintained strong relationships with co-investors/fund investors and facilitated access for them into portfolio company financings</li> <li>• Ensured such stakeholders were kept abreast of the Group's strategy and approach to key matters through the year, including capital allocation</li> <li>• Promoted the Group's brand and reputation in sector ecosystems</li> <li>• Developed sources of new investment into the Group and/or its portfolio</li> </ul>	<p><b>A</b></p> <p>the likely consequences of any decision in the long term</p> <p><b>B</b></p> <p>the interests of the Company's employees</p> <p><b>C</b></p> <p>the need to foster the Company's business relationships with suppliers, customers and others</p> <p><b>D</b></p> <p>the impact of the Company's operations on the community and the environment</p>
 <p><b>Universities, academics and research institutions and inventors, founders and entrepreneurs</b></p> <p>s172(1)</p> <p>A C E</p>	<p>To build, develop and maintain relationships with universities, academics and research institutions in order to identify promising science into which the Group can invest to grow transformative businesses that have a positive impact on the future around such science.</p> <p>To create and maintain a pipeline of compelling intellectual property-based opportunities.</p>	<ul style="list-style-type: none"> <li>• Regular interaction with universities within the UK, Europe, Australia and New Zealand</li> <li>• Annual relationship review in Australia and New Zealand</li> <li>• Parkwalk representatives on relevant university fund investment committees</li> <li>• Attending and presenting at sector events and conferences</li> <li>• Meetings throughout the year with entrepreneurs and innovators</li> </ul>	<ul style="list-style-type: none"> <li>• Maintained relationships between the Group and universities, academics and research institutions, which has ensured these stakeholders are aware of the Group's strategy and funding model</li> <li>• Generated a pipeline of potential new investment opportunities</li> <li>• Relationships built/enhanced with founders and entrepreneurs across various ecosystems to ensure the Group is their partner of choice</li> </ul>	<p><b>E</b></p> <p>the desirability of the Company maintaining a reputation for high standards of business conduct</p> <p><b>F</b></p> <p>the need to act fairly between members of the Company</p>

# WORKING WITH THE GROUP'S STAKEHOLDERS.

Name of stakeholder and relevant application of S.172	Why we engage	Engagement methods – who and how	Impact of engagement	<b>KEY</b> <b>S.172(1) FACTORS</b>
 <p><b>The environment and wider community</b></p> <p>s172(1)</p> <p>A D</p>	<p>To generate social and environmental impact, which is part of the Group's core purpose.</p>	<ul style="list-style-type: none"> <li>• Via the Group's portfolio companies</li> <li>• Engagement with ESG Ratings agencies</li> <li>• Charity partnership with IntoUniversity</li> <li>• Supported the 10,000 Black Interns programme</li> <li>• Signatory to Investing in Women Code</li> <li>• Member of UN Global Impact</li> <li>• Member of UN Principles for Responsible Investment</li> </ul>	<ul style="list-style-type: none"> <li>• Identified and backed companies whose products and services contribute to a regenerative, healthier, tech-enriched future for the world</li> <li>• Supported local and wider communities through charitable and fundraising initiatives</li> <li>• Continued commitment to driving improvements in inclusion, diversity and equality across the Group and wider society via the Group's Inclusion and Diversity Project plan</li> </ul>	<p><b>A</b></p> <p>the likely consequences of any decision in the long term</p> <p><b>B</b></p> <p>the interests of the Company's employees</p> <p><b>C</b></p> <p>the need to foster the Company's business relationships with suppliers, customers and others</p>
 <p><b>Debt holders</b></p> <p>s172(1)</p> <p>C E</p>	<p>To build and maintain strong partnerships with the Group's largest debt capital providers.</p>	<ul style="list-style-type: none"> <li>• Regular reporting requirements</li> <li>• Direct conversations and consultation on matters relevant to existing debt holders</li> <li>• Outreach to potential lenders on an ad hoc basis</li> <li>• Group capital market events</li> </ul>	<ul style="list-style-type: none"> <li>• Continued strong relationships with the largest holders of the Group's debt</li> <li>• Understood debt-holders' views on capital allocation and returns to shareholders, which enabled them to be taken into account on decisions by the Board, specifically in these areas (as referenced above)</li> </ul>	<p><b>D</b></p> <p>the impact of the Company's operations on the community and the environment</p>
 <p><b>Regulators</b></p> <p>s172(1)</p> <p>C E</p>	<p>To maintain strong relationships with our regulators and to foster confidence in our strong compliance culture.</p>	<ul style="list-style-type: none"> <li>• Direct correspondence on transactions and other matters as necessary</li> <li>• Correspondence with the Takeover Panel on concert party and other code-related matters</li> <li>• Regular reporting to the Financial Conduct Authority, and incorporation of any feedback received</li> <li>• Regular reporting to the Securities and Futures Commission, the Australian Securities and Investment Commission, Australian Prudential Regulation Authority and the Australian Transaction Reports Analysis Centre</li> </ul>	<ul style="list-style-type: none"> <li>• Maintained strong relationships and communication lines with the Group's regulators</li> <li>• Confirmation of compliance with regulatory requirements</li> </ul>	<p><b>E</b></p> <p>the desirability of the Company maintaining a reputation for high standards of business conduct</p> <p><b>F</b></p> <p>the need to act fairly between members of the Company</p>

# WORKING WITH THE GROUP'S STAKEHOLDERS.

Name of stakeholder and relevant application of S.172	Why we engage	Engagement methods – who and how	Impact of engagement	<b>KEY</b> <b>S.172(1) FACTORS</b>
 <p><b>Brokers and advisors</b></p> <p>s172(1)</p> <p>C E</p>	<p>To ensure those who represent us have a complete understanding of the Group's strategy, performance, purpose and culture and to maintain strong relationships through our brokers and advisors with UK capital markets authorities.</p>	<ul style="list-style-type: none"> <li>Regular dialogue and correspondence with brokers and advisors including industry analysts</li> <li>Group capital markets events and sales team presentations in connection with the annual and interim results</li> <li>Broker/advisors attendance at Company Board meetings to advise on specific strategic matters, shareholder feedback and sentiment and general market environment</li> </ul>	<ul style="list-style-type: none"> <li>Reinforced the strong relationships and communication lines between the Group and the Group's Brokers and advisors</li> <li>Enhanced the brokers and advisors' knowledge and understanding of the Group and its portfolio companies</li> </ul>	<p><b>A</b></p> <p>the likely consequences of any decision in the long term</p> <p><b>B</b></p> <p>the interests of the Company's employees</p>
 <p><b>Governance bodies</b></p> <p>s172(1)</p> <p>C E</p>	<p>To maintain strong relationships with proxy advisors, the Investment Association, ESG ratings agencies and other governance bodies.</p>	<ul style="list-style-type: none"> <li>Engagement with ESG ratings agencies to help demonstrate the Group's performance, as well as enabling identification of areas of improvement</li> <li>Engaged with the UK Government and parliamentarians on key issues and Mansion House Reforms</li> <li>Group CEO is a member of the London Stock Exchange Primary Markets Group</li> <li>Responded to UK Government consultations on matters impacting the Group and its portfolio including the revisions to the UK Corporate Governance Code, Long-term investment for Technology and Science initiative and R&amp;D Tax Credits, and the UK's Modern Industrial Strategy</li> <li>Met with leads on the Edinburgh Reforms Review and the Spin Out Review</li> <li>Two-way engagement with proxy bodies in relation to their reports on the Group's Annual General Meeting and any other General Meetings</li> <li>Regular interaction with EIS Association and HMRC in relation to EIS investments</li> <li>Regular liaison with government-backed initiatives in relation to investment within the sector</li> </ul>	<ul style="list-style-type: none"> <li>Made sure the Group's voice was heard on key issues relevant to the Group including on Mansion House Reforms, Listing and Prospectus Rules reforms, approach to carried interest and PISCES</li> <li>Ensured the accuracy of the proxy voting reports and endeavoured to influence fair voting recommendations</li> <li>Ensured the ESG ratings agencies were reporting accurately on the Group's performance and proactively sought to address gaps</li> </ul>	<p><b>C</b></p> <p>the need to foster the Company's business relationships with suppliers, customers and others</p> <p><b>D</b></p> <p>the impact of the Company's operations on the community and the environment</p> <p><b>E</b></p> <p>the desirability of the Company maintaining a reputation for high standards of business conduct</p>
				<p><b>F</b></p> <p>the need to act fairly between members of the Company</p>

## WORKING WITH THE GROUP'S STAKEHOLDERS.

### Key shareholder activities in 2024

#### Q1

- Annual results presentation\*
- Results roadshow
- Berenberg UK Corporate conference

#### Q2

- Rothschild roadshow
- AGM presentation\*
- Switzerland roadshow

#### Q3

- H1 results presentation\*
- Results roadshow

#### Q4

- Ireland roadshow
- Rothschild roadshow
- Cantor TMT Conference
- Middle East roadshow
- Berenberg European Conference

\* available via the Investor Meet Company platform which is open to all stakeholders.

### Shareholders by sector

Sector/owner	% at 31 December 2024
Pensions	25.47%
Mutual funds	25.13%
Retail	23.66%
Hedge	7.67%
Charities	4.78%
Insurance	4.12%
Investment trusts	3.31%
ETF	2.92%
SWF	1.55%
Other	1.39%

Details of substantial shareholders as at 31 December 2024 can be found on page 107.

### Corporate governance and business conduct

In fulfilling its role as a responsible investor, the Group expects high levels of corporate governance within its portfolio companies. In the majority of the Group's priority companies, the Group takes up a Board position to support this requirement. This helps to ensure that robust governance processes are in place within such companies, which the Group also supports through facilitating introductions to external advisors, sharing best practice and offering helpful guidance on new legislation. As part of its responsible stewardship responsibilities, the Group incorporates a requirement for portfolio companies to adopt and maintain various legal and governance policies to ensure such companies are operating in accordance with the high standards expected by the Group as an active investor. The Group has developed a best-practice policy toolkit, which is available to its portfolio companies and which provides template policies for the key governance and compliance policies that the Group expects its portfolio companies to have in place, including with regard to anti-corruption and bribery, data protection and "speaking up".

The Group is committed to preventing modern slavery in its business and supply chains and has adopted principles and policies that are relevant to the prevention of modern slavery across its organisation and supply chains. This includes the payment of the London Living Wage.

## WORKING WITH THE GROUP'S STAKEHOLDERS.

### Employees (including on inclusion, equity and diversity matters)

The Board considers engagement with its colleagues at all levels in the Group to be a key part of the Group's culture, and a wide range of events and experiences are facilitated for employees to participate in, from both a work and wellbeing perspective.

As further described on page 52, IP Connect, the Group's employee forum, works to ensure that employees' voices are heard by the Group's management team and Board. The forum facilitates meaningful and effective two-way communication between the Board (via Aedhmar Hynes, the Group's Designated NED) and employees, enabling the Board to understand and actively consider the interests of employees in its discussions and the decisions it makes. This also helps to enable employees to understand (where practicable to do so) why certain decisions are made. The Board considers that the combination of a Designated NED and an employee forum continues to be welcomed by colleagues as an effective and appropriate approach to employee engagement within the Group.

### How stakeholders' views are reported to the Board and influence the Board agenda

Through understanding the views of its stakeholders, the Board takes into account their opinions, preferences and concerns when debating and making decisions. Regular contact is maintained by the Chair, Senior Independent Director and the Executive Directors with the Group's key shareholders, and, where considered appropriate, major institutional shareholders are consulted on significant decisions and transactions in contemplation. Where appropriate, Committee Chairs will also engage with key shareholders impacted by matters under the remit of their particular Committee. Key areas of discussion over the last year have related to progress against the Group's strategy, the Group's approach to capital allocation including returns to shareholders, the Group's operating costs, the disparity between the Group's share price and NAV per share, and shareholder returns.

### Training and Board processes

The Board receives regular training on its s172 obligations to keep current with evolving market expectations. Information relating to stakeholder issues is included in relevant Board papers to enable the Board to understand and consider relevant stakeholder interests when making principal decisions. This information incorporates feedback received from relevant stakeholders through ongoing stakeholder engagement.

Where appropriate, being mindful of its obligations as a listed company and confidentiality requirements, the Board will, in limited circumstances, seek input from key stakeholders prior to a decision being taken. In each case, the Directors consider how a short-term decision (for example, to sell an asset and achieve an immediate financial return) links into the Group's overall strategy to create long-term value for its shareholders. The same considerations are taken into account by the Investment Committee(s) in relation to decisions made, or proposals recommended to the Board, under the delegated authorities. Following any principal Board decision, and where appropriate, the Board will reach out to relevant stakeholders to explain its decision as part of its continued meaningful two-way communication with stakeholders.

### Board approval

The Strategic Report as set out on pages 05 to 58 has been approved by the Board.

On behalf of the Board

**Sir Douglas Flint**  
Chair

24 March 2025

# GOVERNANCE AT A GLANCE.

## Governance highlights 2024

- Share buyback** In October 2024, the Board approved the extension of the Group's buyback programme (utilising a percentage of realisation proceeds received in the year to date) and cancellation of shares held in treasury. Further, in December 2024, the Board approved the application of all proceeds received from a partial portfolio sale agreed in December and 20% of the proceeds received from the sale of Featurespace Limited towards a further extension of the existing buyback programme to run through 2025 [Read more on page 25](#)
- Realisations** The Board approved the sales of Garrison Limited (July 2024) and Featurespace Limited (September 2024) [Read more on page 11](#)
- International** The Board approved the cessation of plans to enter the China market through a joint venture
- 2024 UK Corporate Governance Code** The Board has continued to review and evolve the Group's corporate governance arrangements and practices, including reviewing the Group's preparedness for the 2024 UK Corporate Governance Code, which will apply to the Group from the 2025/26 financial year, to ensure full compliance with the new code prior to it coming into force.
- Corporate reorganisation** On 31 July 2024 the Board approved a reorganisation of the operating model of the Group in order to improve the efficiency and reduce the ongoing cost base of the Group [Read more on page 12](#)

## Board and Committee attendance

The following table shows the attendance of Directors at scheduled Board and Committee meetings in 2024:

	Board meetings	Audit and Risk Committee <sup>1</sup>	Nomination Committee	Remuneration Committee
Sir Douglas Flint	7/7	-	3/3	6/6
Greg Smith	7/7	-	-	-
David Baynes	7/7	-	-	-
Heejae Chae	7/7	7/7	3/3	6/6
Dr Caroline Brown	7/7	7/7	3/3	6/6
Aedhmar Hynes	7/7	7/7	3/3	6/6
Anita Kidgell	7/7	7/7	3/3	6/6
Dr Elaine Sullivan <sup>2</sup>	3/3	2/3	1/1	2/3

<sup>1</sup> The Chair, CEO and CFO attend as observers

<sup>2</sup> Dr Elaine Sullivan retired from the Board on 12 June 2024.

## Executive/Non-executive split



KEY

- Executive Director
- Non-executive Director
- Non-executive Chair

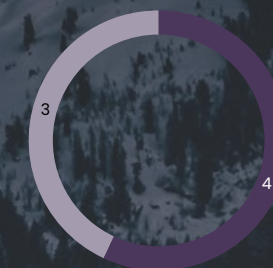
## Board tenure



KEY

- 0-2 years
- 3-5 years
- Over 5 years

## Gender balance



KEY

- Male
- Female

# GOVERNANCE AT A GLANCE.

## Board Skills Matrix

Individual	Skills focus												
	Strategic leadership	Shareholder engagement	UK plc experience	Shareholder value delivery	Experience of innovation	Audit & portfolio valuation	Tech expertise	Life science expertise	Chair experience/capability	Strategy definition	Comms, branding, IR	Access to global networks	International experience
<b>Sir Douglas Flint CBE</b> Chair/Nomination chair	●	●	●	●		●			●	●		●	●
<b>Greg Smith</b> Chief Executive Officer	●	●	●	●		●				●	●		
<b>David Baynes</b> Chief Financial and Operating Officer	●	●	●		●	●	●			●	●		
<b>Aedhmar Hynes</b> Senior Independent Director and Designated Non-executive Director	●			●	●		●		●	●	●	●	●
<b>Dr Caroline Brown</b> Non-executive Director/ Audit and Risk Chair	●		●	●	●	●	●					●	●
<b>Heejae Chae</b> Non-executive Director/ Remuneration Chair	●	●	●	●			●		●	●		●	●
<b>Anita Kidgell</b> Non-executive Director	●	●	●	●	●			●		●	●		●

## Compliance with the UK Corporate Governance Code 2018

The table below shows the principles set out in the Code and where key content can be found.

<b>Board leadership and Company purpose</b>	
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Risk and internal controls	104
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# BOARD OF DIRECTORS.



## Sir Douglas Flint CBE Non-executive Chair

**Effective date of current letter of appointment:** Appointed as a Non-executive Director from 17 September 2018 and as Non-executive Chair from 1 November 2018

**Independent:** n/a<sup>1</sup>

**Tenure:** 6 years (renewed in September 2024)

**Term of office:** 3 years<sup>1</sup>, 3 months' notice

**Re-election to Board:** Annually at AGM

### Skills and experience

Sir Douglas has extensive experience of public company board leadership, which helps to focus Board discussion and challenge on the design and delivery of our strategy. His collaborative approach helps to facilitate open and constructive boardroom discussion. Previously, Sir Douglas served as Group Chairman of HSBC Holdings plc from 2010 to 2017. For 15 years prior to this he was HSBC's group finance director, joining from KPMG where he was a partner. Between 2005 and 2011, Sir Douglas served as a non-executive director on the board of bp plc, latterly chairing its audit committee.

### Key external appointments

In other current roles, Sir Douglas is Chairman of Aberdeen plc, Chairman of the Royal Marsden hospital and charity and a member of a number of advisory boards and trade associations, through which he keeps abreast of industry, regulatory and international affairs of relevance to his public company responsibilities. In 2022, Sir Douglas was appointed as chair of the UK Government's Digitalisation Taskforce.

### KEY

Audit and Risk Committee

Nomination Committee

Remuneration Committee

Chair

<sup>1</sup> Subject to renewal for subsequent three-year terms as set out on page 70.

<sup>2</sup> Excludes appointments to Group portfolio company boards.



## Greg Smith Chief Executive Officer

**Effective date of current service agreement:** 6 October 2021

**Independent:** No

**Tenure:** 13 years as an Executive Director, 3 years as Chief Executive Officer

**Term of office:** Permanent, 6 months' notice

**Re-election to Board:** Annually at AGM

### Skills and experience

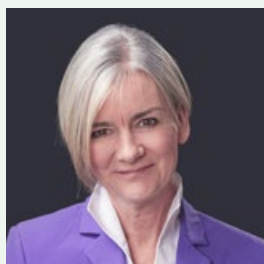
Greg gained significant knowledge of the Group and the sector in which it operates through his decade-long tenure as Chief Financial Officer of the Group, during which he contributed broadly and successfully to the Group's expansion geographically, and in scale. He has deep experience of capital and resource allocation, and investment appraisal, and this experience, together with his financial expertise, plays a fundamental role in driving the Group's strategy, purpose and vision.

His strong communication skills have been critical to maintaining and optimising the Group's relationship with its key stakeholders. Prior to joining the Group, Greg held positions at both Tarchon Capital and KPMG. Greg is a Fellow of the ICAEW and holds a degree in mathematics.

### Key external appointments

Greg is on a number of advisory bodies which seek to make the UK's capital markets more accessible to smaller companies, in terms of both public listing and scale-up capital, particularly for those companies whose business is based on innovative science and technology.

# BOARD OF DIRECTORS.



**Aedhmar Hynes**  
Senior Independent Director and Designated  
Non-executive Director for employee engagement

**Effective date of current letter of appointment:**  
1 August 2019

**Independent:** Yes

**Tenure:** 5 years (renewed in August 2022)

**Term of office:** 3 years<sup>1</sup>, 3 months' notice

**Re-election to Board:** Annually at AGM

### Skills and experience

Aedhmar brings valuable experience to the Board in relation to technology disruption, digital transformation and marketing and strategic communications. Aedhmar has many years' experience in communications and is the former CEO of Text100, a digital communications agency with 22 offices and over 600 consulting staff across Europe, Asia and North America.

Aedhmar is also the Senior Independent Director and the Group's Designated Non-executive Director for employee engagement on the Board.

### Key external appointments

Aedhmar is trustee of Connecticut Public Broadcasting and The Page Society, a Board Director of Jackson Family Wines, Technoserve and Fluidra S.A, member of the US Foundation Board of the National University of Ireland, Galway and a Henry Crown Fellow at The Aspen Institute.

### KEY

Audit and Risk Committee    Nomination Committee    Remuneration Committee    Chair

<sup>1</sup> Subject to renewal for subsequent three-year terms as set out on page 70.



**David Baynes**  
Chief Financial and Operating Officer

**Effective date of current service agreement:**  
6 October 2021

**Independent:** No

**Tenure:** 11 years as an Executive Director, 3 years as Chief Financial and Operating Officer

**Term of office:** Permanent, 6 months' notice

**Re-election to Board:** Annually at AGM

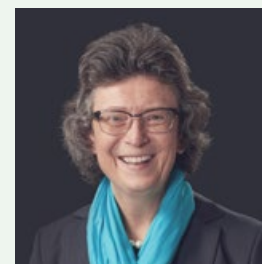
### Skills and experience

David's financial background and expertise, together with his experience gained during his tenure as the Chief Operating Officer of the Group, provide the experience required to drive the Group's achievement of its financial goals and operating targets. David has a long track record of working successfully with the boards of investee companies as they develop and mature, often in challenging and disruptive circumstances. David was appointed to the Board in March 2014 following the acquisition by the Group of Fusion IP plc where he held the position of Chief Executive Officer for ten years.

David brings previous additional experience taking companies from start-up to full listing on the London Stock Exchange, which he has done three times. David was also previously CFO of Codemasters Limited.

### Key external appointments<sup>2</sup>

None



**Dr Caroline Brown**  
Non-executive Director

**Effective date of current letter of appointment:**  
1 July 2019

**Independent:** Yes

**Tenure:** 5 years (renewed in June 2022)

**Term of office:** 3 years<sup>1</sup>, 3 months' notice

**Re-election to Board:** Annually at AGM

### Skills and experience

Caroline has a wealth of experience covering accounting and audit, banking and investments, as well as science and technology, all of which are highly relevant for the Board. Caroline holds a first class degree and PhD in Natural Sciences from the University of Cambridge, a Masters of Business Administration from Bayes Business School, London and is a Fellow of the Chartered Institute of Management Accountants. She has over 20 years' plc board experience and held previous positions in corporate finance at BAML (New York), UBS and HSBC.

### Key external appointments

Caroline is a Non-executive Director of CAB Payment Holdings plc, Luceco plc and Ceres Power Holdings plc. She is also a Non-executive external member of the global partnership council of Clifford Chance LLP.

<sup>2</sup> Excludes appointments to Group portfolio company boards.

## BOARD OF DIRECTORS.



### Heejae Chae

Non-executive Director

**Effective date of current letter of appointment:**

3 May 2018

**Independent:** Yes

**Tenure:** 6 years (renewed in May 2024)

**Term of office:** 3 years<sup>1</sup>, 3 months' notice

**Re-election to Board:** Annually at AGM

#### Skills and experience

Heejae is an experienced public company director, bringing both knowledge of finance and industry, having spent the early part of his career in finance at The Blackstone Group and Credit Suisse First Boston before moving into industry. Heejae's former positions include CEO of Scapa Group plc, Group Chief Executive of Volex Group plc and Group General Manager for Amphenol Corporation.

#### Key external appointments

Heejae is Executive Chairman of Sysgroup plc and Non-Executive Director of Elementis plc.



### Anita Kidgell

Non-executive Director

**Effective date of current letter of appointment:**

18 January 2023

**Independent:** Yes

**Tenure:** 2 years

**Term of office:** 3 years<sup>1</sup>, 3 months' notice

**Re-election to Board:** Annually at AGM

#### Skills and experience

Anita has over 25 years of pharmaceutical experience spanning multiple disciplines. She is currently Head of Corporate Strategy at GSK with over ten years of experience of leading strategic initiatives in numerous areas including China, ESG, geopolitics as well as integrations and demergers. Between 2004 and 2007 she was the Global Head of Investor Relations at GSK and prior to this held senior positions in Corporate Communications, at GlaxoWellcome and at the Brunswick Group.

Anita has a First Class Honours degree in Applied Biology and has more than ten years' experience in pharmaceutical Discovery Research and Clinical Development.

#### Key external appointments

Anita is Head of Corporate Strategy at GSK.

#### KEY

Audit and Risk Committee

Nomination Committee

Remuneration Committee

Chair

<sup>1</sup> Subject to renewal for subsequent three-year terms as set out on page 70.

<sup>2</sup> Excludes appointments to Group portfolio company boards.

# CORPORATE GOVERNANCE FRAMEWORK.

## Compliance with the UK Corporate Governance Code 2018 (the "Code")

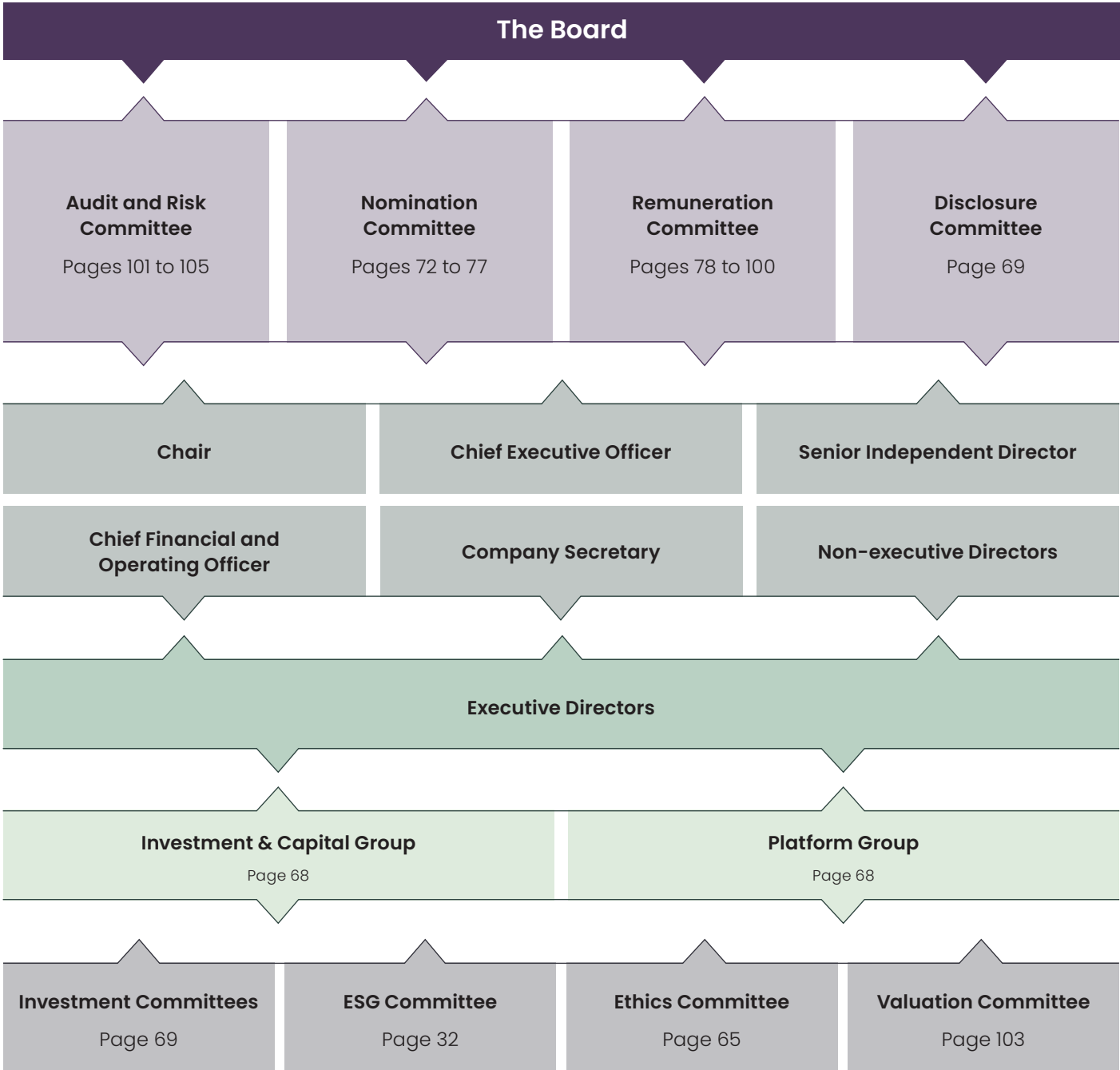
The Board is committed to meeting the high standard of corporate governance set out within the Code (available at [www.frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code](http://www.frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code)) and to demonstrating compliance with best practice as it develops.

The Group confirms it applied the principles and complied with all the provisions of the Code throughout the year.

→ Read **Board biographies** on pages 61 to 63

→ Read **Board activities** on page 68

→ Read **roles and responsibilities of the Board** on page 66



# CORPORATE GOVERNANCE STATEMENT.



**Sir Douglas Flint**  
Chair



The Board recognises the importance of building and maintaining strong relationships and two-way engagement with all the Group's stakeholders in order to promote the long-term success of the Company and earn their continuing support.

## Corporate governance

Effective corporate governance is integral to the Board's oversight of the design and execution of the Group's strategy. The Board confirms that it has continued to meet the requirements of the Code. The Board recognises its accountability to the Company's shareholders for good governance, and this report, together with the reports of the Remuneration, Nomination, and Audit and Risk Committees of the Board, describe the Group's approach to meeting the highest standards of corporate governance and highlight the key developments that have taken place in this area during the year.

## Board changes

Dr Elaine Sullivan retired from the Board in June 2024 following nine years of service to the Company. Once again, the Company expresses its sincere thanks to Dr Sullivan for her valuable contribution and input during this period of service. Further information on the current Board composition can be found in the Nomination Committee Report on page 72.

## ESG

The Group upholds strong business values that continue to guide the Group in implementing its strategy, and employees are encouraged to demonstrate these values throughout their work. Two executive committees oversee implementation of and monitor compliance with the Group's obligations to conduct business responsibly, reporting periodically to the Board; the ESG Committee has responsibility for the oversight and implementation of the Group's ESG and Sustainability policy, and the Ethics Committee provides guidance to the Group on ethical issues and monitors compliance with the Group's Ethical Investment Framework. These committees work together to ensure that the Group's values and culture are also embedded in the Group's capital allocation framework. Further details on the ESG Committee and Ethics Committee, and on how the Group mitigates climate-related risk, are included on page 32.

## Consideration of stakeholders

The Board recognises the importance of building and maintaining strong relationships and two-way engagement with all the Group's stakeholders, in order to promote the long-term success of the Company and earn their continuing support for the Group's purpose, vision and strategy. The Group continues to foster a culture of innovation, mutual support, diversity and inclusion. The Group encourages its employees to engage in healthy debate and challenge so that it can consider a wide range of opinions when making decisions. For more information on the culture that the Group seeks to foster, and the code of conduct and values framework and guidelines developed to deliver that culture, see page 58. For further details on how the Directors have complied with their duties under s172 of the Companies Act 2006 (the "CA 2006"), including in their decision-making, please refer to pages 50 to 57.

I look forward to welcoming shareholders to our AGM on 12 June 2025, which will be held at the Company's registered office at 3 Pancras Square, King's Cross, London, N1C 4AG. In addition, and to facilitate engagement with shareholders throughout the year, the Group maintains a dedicated Company Secretary email address (cosec@ipgroupplc.com) through which shareholders can submit questions at any time.

**Sir Douglas Flint**  
Chair

25 March 2025

# CORPORATE GOVERNANCE STATEMENT.

## The Board

### Role and responsibilities of the Board

The Board is responsible to the Company's shareholders for the overall management of the Group in a way that promotes the Group's long-term sustainable success, taking into account the interests of shareholders and all other relevant stakeholders in carrying out this responsibility. The Board defines, challenges and interrogates the Group's strategic aims and direction, and provides entrepreneurial leadership within a framework of controls for assessing and managing risk. The Board recognises that, in discharging its responsibilities, it is necessary to support the maintenance and evolution of a policy and decision-making framework in which the Group's strategic aims are implemented through the following:

- ensuring that the necessary financial and human resources are in place to meet those aims and to ensure the Group is a home for exceptional talent
- monitoring performance against key financial and non-financial performance indicators
- embedding a robust performance management framework and aligning reward with the long-term interests of stakeholders
- planning for Board and senior management succession
- overseeing and challenging the system of risk management
- setting and monitoring adherence to mandated values and standards in governance matters
- monitoring environmental, social and governance policies and performance
- helping to shape and embed the Group's purpose, vision, strategy, values and culture

The Board recognises that its role in setting, monitoring and enforcing the standards of behaviour it expects from its people is of key importance. The Group's culture is one of the key strengths of its business and plays a strong role in attracting, retaining and incentivising the most talented people. Further information on the Group's culture and its values is on page 03.

In supporting the Group's business and its portfolio companies, the Board acknowledges the key roles the Group's operational functions play in the fields of capital raising, legal advice and support, intellectual property strategy and due diligence support. These sit alongside and support the hands-on approach and high level of engagement provided by the experienced, sector-specific investment partnership team members. The Directors believe that the Group's approach to supporting its portfolio companies in this way is unique and serves not only to build sustainable businesses with longevity, but will also provide attractive returns for stakeholders, by creating value over the longer term.

The responsibility of the Directors in promoting the long-term success of the Company and thereby the Group is collective and recognises their respective roles as Executive Directors and Non-executive Directors. The Non-executive Directors are responsible for constructively challenging and contributing to proposals on strategy as part of the Board approval process, scrutinising the performance of executive management against targets set and determining appropriate levels of remuneration. The Non-executive Directors must also satisfy themselves of the integrity of financial information, and that financial controls and systems of risk management are robust and comprehensive. The Executive Directors are responsible for making and implementing day-to-day decisions (other than matters reserved for the Board) within the risk appetite and tolerance and operating and financial constraints set by the Board.

The Board reviews the purpose, vision and strategy of the Group and any issues arising from it on a regular basis, and exercises control over the performance of the Group by agreeing budgetary and other targets and monitoring performance against those targets.



# CORPORATE GOVERNANCE STATEMENT.

Division of responsibilities	
<b>Chair</b>	<ul style="list-style-type: none"> <li>• Leadership and conduct of the Board, encouraging open and constructive discussion and challenge</li> <li>• Promotes high standards of governance and Board effectiveness, including incorporating the views and interests of stakeholders into Board decision-making</li> <li>• Ensures active engagement and effective communication with shareholders</li> <li>• Sets the Board's agenda and is responsible for ensuring the committees carry out their duties</li> <li>• Ensures that Board members receive timely, accurate and clear information about the Group's activities</li> <li>• Ensures that Board members receive appropriate induction and ongoing training on the Group's activities and their own responsibilities</li> <li>• Leads performance assessment of Board members</li> </ul>
<b>Chief Executive Officer ("CEO")</b>	<ul style="list-style-type: none"> <li>• Leads on development and delivery of strategy</li> <li>• Leads the management of the Group alongside the Executive Committee and establishes financial and operational targets</li> <li>• Leads the management of the Group in incorporating ESG factors into the Group's strategy and business model</li> <li>• Responsible for building a team that is able to effectively identify, back and grow impactful early-stage innovation-led companies into a diversified portfolio of robust, transformative businesses, and for embedding a culture that ensures the team is highly engaged and motivated to deliver</li> <li>• Leads delivery of the Group's operating plans and budgets and the recommendations in respect of, and the subsequent execution of, Board decisions</li> <li>• Leads succession planning for the senior executive positions alongside the Group People Director and reports to the Nomination Committee thereon</li> <li>• Represents the Group to external stakeholders and engages with them on the Group's purpose and strategy</li> </ul>
<b>Chief Financial and Operating Officer ("CFOO")</b>	<ul style="list-style-type: none"> <li>• Oversight and executive responsibility for the Group's financial and operational systems, processes and matters</li> <li>• Maintains an efficient and effective controls environment, including protecting the Group against cyber risks</li> <li>• Responsible for executing day-to-day decisions (other than matters reserved for the Board) within the risk appetite and tolerance and operating and financial constraints set by the Board</li> <li>• Monitors operating and financial performance against agreed budgets and targets and reports to the Board on the same</li> <li>• Ensures the Group's financial structure and capacity supports the Group's objectives</li> </ul>
<b>Senior Independent Director</b>	<ul style="list-style-type: none"> <li>• Available to shareholders to discuss their views and concerns when required</li> <li>• Intermediary between the Board and the Chair</li> <li>• Leads the Board in deliberations where the Chair is conflicted</li> <li>• Leads assessment of the Chair's performance and on any Chair succession matters</li> </ul>
<b>Non-executive Directors (as part of the Board)</b>	<ul style="list-style-type: none"> <li>• Approve Group strategy and operating plans</li> <li>• Approve business and financing models</li> <li>• Discuss and constructively challenge executive recommendations on matters brought to the Board</li> <li>• Monitor and performance manage delivery of strategy and operating plans</li> <li>• Provide independent views, support and specialist knowledge</li> <li>• Serve on committees of the Board</li> </ul>

# CORPORATE GOVERNANCE STATEMENT.

## Board activities during 2024

### Principal decisions

- Approved extensions of the Group's share buyback programme and cancellation of shares held in treasury
- Approved amendments to the Group's delegated investment and realisation authorities (the "Delegated Authorities")
- Approved significant portfolio company investments and divestments required in line with the Delegated Authorities
- Approved revisions to the Group's Capital Allocation Policy
- Approved a corporate reorganisation in order to streamline decision-making and reduce operating expenses

### Board and Committee composition and conduct

- Reviewed succession planning for the Executive Directors, senior leadership and Non-executive Board positions, including the Chair

### Strategy and risk

- Continued to support and engage with the Executive Directors on the implementation of the Group's strategic aims
- Reviewed the Group's performance within its competitive landscape
- Regularly discussed and debated the form and implementation of the Group's Capital Allocation Policy
- Debated in detail the Group's principal risks and the Board's approach to the setting of its risk appetite
- Considered the longer-term emerging risks that may impact the Group and its business

## Corporate Governance

- Reviewed policies, processes and procedures to ensure continued compliance with the Code
- Reviewed, and updated where necessary, the terms of reference for its committees
- Received regular updates from the Group's core business units and operational functions
- Implemented the recommendations from the 2023 internal Board evaluation

## Stakeholders

- Considered the Company's ability to return cash to shareholders
- Extended the share buyback programme
- Received presentations from the Company's financial advisors on the current market climate and shareholder activism
- Discussed the Company's share price performance, in particular the discount to NAV and actions to be taken to narrow the gap
- Received quarterly people updates from the Group People Director including on progress to embed the Group's culture and values, improve inclusion and diversity, expand learning and development resources and the results and actions from the regular staff surveys
- Received updates at each Board meeting from the investment teams, which included detail on the short to medium-term strategy for each partnership and performance of their focus portfolio companies

## Schedule of matters

Except for a formal schedule of matters, which are reserved for decision and approval by the Board, the Board has delegated the day-to-day management of the Group's operations to the Executive Directors, supported closely by members of the senior management team. The schedule of matters reserved for Board decision and approval are those significant to the Group as a whole due to their strategic, financial and/or reputational implications. The schedule can be found within the Corporate governance section of the Group's website at [www.ipgroupplc.com](http://www.ipgroupplc.com). This schedule was reviewed in early 2024 and all recommended changes were accepted by the Board. The schedule will be reviewed again in 2025.

## Committees and oversight

In addition to the Executive Directors, the Board delegates specific responsibilities to certain committees that assist the Board in carrying out its functions and ensure independent oversight of internal control and risk management.

Each of the three principal committees of the Board (Audit and Risk, Nomination and Remuneration) has its own terms of reference, which set out the specific matters for which delegated authority has been given by the Board and which can be found within the Corporate governance section of the Group's website at [www.ipgroupplc.com](http://www.ipgroupplc.com).

Separate reports on the role, composition, responsibilities and operation of each of the Nomination, Remuneration and Audit and Risk Committees are set out on pages 72, 78 and 101, respectively.

The Group's Corporate Governance Framework set out on page 64 illustrates the structure of the Board and its principal committees. Under the Board level, decision-making sits with the Executive Directors, supported by their Investment & Capital and Platform Groups, which both comprise members of the senior leadership team and have primary authority for the day-to-day management of the Group's operations, save for those matters that are expressly reserved for the Board or its committees.

# CORPORATE GOVERNANCE STATEMENT.

The Disclosure Committee assists the Group in making timely and accurate disclosure of all information that is required to be disclosed in order for the Group to meet its legal and regulatory obligations, including under the Market Abuse Regulation, and ensures that relevant training is provided to the Board and to the wider employee base. This Committee takes responsibility for the assessment and control of inside information, both in respect of the Group and its quoted portfolio companies. The composition of the Disclosure Committee comprises the Executive Directors, the Group General Counsel, the UK General Counsel, the Director of Communications and a minimum of one Non-executive Director.

The Group operates Investment Committees for (i) balance sheet investment decisions and (ii) Australian investment decisions. Decisions relating to investments and divestments in portfolio companies (other than those reserved for the Board) are delegated to the relevant Investment Committee within defined parameters and with specific quorum requirements. Separate investment committees are operated by the Group for third party funds managed by the Group. Additional executive oversight of key operating subsidiaries is provided by the CEO sitting on the Parkwalk Advisors board and both the CEO and CFO sitting on the board of the Group's principal Australian subsidiary.

## Board size and composition

As at 31 December 2024, there were seven Directors on the Board: the Chair, two Executive Directors and four Non-executive Directors. The biographies of all Directors are provided on pages 61 to 63 and details with respect to the diversity of the Board are set out in the Nomination Committee Report on page 74.

In accordance with the provisions of the Code, all the Directors will be offering themselves for re-election at the 2025 AGM. The Board unanimously recommends to shareholders the reappointment of the Directors offering themselves for re-election. The annual Board evaluation and the annual one-to-one performance appraisal process confirmed that all Directors of the Company are effective, commit the required time demanded of

them, and continue to display the appropriate level of commitment in their respective roles.

## Diversity

The disclosure required by DTR 7.2.8A relating to the Group's diversity policy is presented in the Nomination Committee Report on page 74 and in the Meaningful impact section on page 30.

## Company Secretary

All Directors have access to the impartial advice and services of the Company Secretary. The Company Secretary acts as a key point of contact for the Chair and has an important role in ensuring both the quality of information that flows between the Executive and Non-executive Directors and that any agreed actions are completed. The Company Secretary supports the Chair and the Nomination Committee on performance evaluation, the induction of new Directors and the continuing development of current Directors to enable them to comply with their duties and effectively carry out their roles.

## Non-executive Directors

The Non-executive Directors provide a wide and diverse range of skills and experience to the Group as detailed on page 60. By virtue of this, the Non-executive Directors collectively are well placed to constructively challenge and scrutinise the performance of executive management at both Board and Committee meetings.

In order to protect their independence, the Group does not permit Non-executive Directors to invest personally in any of the Group's portfolio companies. All of the Non-executive Directors comply with this policy.

All Directors are required to obtain the approval of the Board before taking on any further directorial appointments or other significant external appointment, or any engagement with an organisation that competes with the Group (whether directly or indirectly). In all cases, Non-executive Directors must ensure that the aggregate time committed to external appointments does not impinge upon the time they have committed to the Group. The Executive Directors are restricted to only one external (outside the Group) board

appointment. Details of key external appointments of the Directors can be found on pages 61 to 63.

## Board meetings, provision of information and decisions

The Board and its Committees meet on a scheduled basis throughout the year as well as on an ad hoc basis, as required in response to the needs of the Group's business.

The Board had 7 scheduled Board meetings and a two-day strategy session in 2024; 7 Board meetings including a two-day strategy session are scheduled for 2025. The requirement for additional scheduled meetings is kept under review by the Chair and the Company Secretary.

Meetings between the Chair and the Non-executive Directors, including informal dinners both with and without the presence of the CEO and other executive team members, are also held throughout the year.

The Chair, CEO and members of the Platform Group and Investment & Capital Group work together to ensure that the Directors receive relevant information to enable them to discharge their duties and that such information is accurate, timely and clear. This information includes management accounts containing an analysis of performance against budgets and other forecasts, as well as written reports from the UK investment partnership, the Australasian and US businesses, the capital markets division, the Group's IR, Communications and ESG functions and Parkwalk Advisors. Additional information is provided as appropriate or if requested. At each Board meeting, the Board receives information, verbal reports and presentations from the CEO and the CFO, the Managing Partner of the UK investment partnership and, by invitation, other members of the senior management. This includes bi-annual presentations from the Australasian business units and presentations from Parkwalk Advisors, the Group People Director, the Group Finance Director and Director of Communications. These presentations ensure that all Directors are aware of, and are in a position to monitor effectively, the overall performance of the Group, the development and implementation of its strategy and its management of risk. In addition, the Board receives in-

# CORPORATE GOVERNANCE STATEMENT.

depth presentations throughout the year from selected portfolio companies, including through engaging in site visits.

## Directors' conflicts of interest

The Company operates a Conflicts of Interest Policy which contains procedures for disclosing and managing conflicts of interest within the Group, at the Board, and Investment Committee-levels, with the Company Secretary responsible for the maintenance of a register of Directors' conflicts of interest. The Board has established procedures for managing and, where appropriate, authorising any such conflicts or potential conflicts of interest. Directors' conflicts are a recurring agenda item at all Board meetings, and this gives Directors the opportunity to raise at the beginning of every Board meeting any actual or potential conflict of interests that they may have on the matters to be discussed. The Board may revoke or vary any conflicts authorisation at any time. The Board believes that the procedures established to deal with conflicts of interest are operating effectively.

## Induction, awareness and ongoing development

As detailed on page 73 of the Nomination Committee Report, a comprehensive induction process is in place for new Directors. The programme is tailored to the needs of the individual Director and agreed with them in advance to ensure that they can gain a full understanding of the Group and its businesses.

On an annual basis, the Company Secretary arranges for an external governance specialist to attend one Board meeting to present on the key Corporate Governance changes over the previous twelve months and to signpost expected prospective developments. In addition, the Board is kept updated by the in-house legal team on key legislative and governance changes and sentiment affecting the Group and how the Group is ensuring its compliance and obligations under all relevant legislation. The Board also receives presentations from its brokers and financial advisors on capital market developments in general and specific to the Company on an ad hoc basis.

As a part of their ongoing development, each Director receives feedback on their performance following the Board's performance evaluation each year, following which, the Chair will review and agree with each Director their training and development needs for the year ahead. Access to training and development opportunities, including those relevant to the Non-executive Directors' membership on the Board's committees, is facilitated through the Company Secretary. Further details relating to the assessment of the Board's performance are set out on pages 76 and 77.

## Director rotation and independence

The Nomination Committee, supported by the Company Secretary, has responsibility for succession planning for each of the Non-executive Directors (including the Chair). Each Non-executive Director is appointed for an initial three-year term pursuant to their respective letters of appointment. This initial term is then subject to renewal for subsequent three-year term(s) and, other than the Chair, to a maximum of three consecutive three-year terms in order to maintain their independence from a governance perspective, in accordance with the Code. Provision 19 of the Code applies to the maximum term for the Chair's appointment, and the Nomination Committee is responsible for ensuring compliance with this provision. The Chair was considered by the Board to be independent on appointment.

## Statement of Non-executive Directors' independence

The Code sets out the circumstances that should be relevant to the Board in determining whether each Non-executive Director is independent. The Board considers Non-executive Director independence on an annual basis as part of each Non-executive Director's performance evaluation. Having undertaken this review, and with due regard to Provision 10 of the Code, the Board concluded that all the Non-executive Directors are considered to be independent of management and free of any relationship or circumstance that could materially influence or interfere with, or affect, or appear to affect, the exercise of their independent judgement.

## Internal controls and risk management

The Board recognises the importance of the Financial Reporting Council's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. The Group's internal controls (including key financial operational and compliance controls), which are Group-wide and were in place throughout 2024, were reviewed by the Board, with no significant failings or weaknesses being identified in respect of the year ended 31 December 2024 and up to the date of approval of the Annual Report and Accounts. Where the Board has identified areas requiring improvement, processes have been put in place to ensure that the necessary action is taken and that progress in such areas is monitored. Details of the Group's internal controls and risk management systems are provided on pages 38 and 39.

The Board is responsible for establishing and monitoring internal control systems and for reviewing the effectiveness of these systems. The Board views the effective operation of a rigorous system of internal control as critical to the success of the Group. However, it recognises that such systems can provide only reasonable and not absolute assurance against material misstatement or loss. Details of the effectiveness reviews of the systems of risk management and internal control are provided on page 104.

The key elements of the Group's internal control system, all of which have been in place during the financial year and up to the date of approval of the Annual Report and Accounts, are as follows:

## Control environment and procedures

The Group has a clear organisational structure with defined responsibilities and accountabilities. Its values surrounding expectation of quality, integrity and ethics are well documented and communicated clearly throughout the whole organisation. An overview of the Group's risk management framework is set out on pages 38 and 39.

# CORPORATE GOVERNANCE STATEMENT.

The Group accesses outsourced internal audit expertise provided by PwC. Details of the internal audit activity during 2024, are on page 104.

Detailed written policies and procedures have been established covering key operating and compliance risk areas. These are reviewed and updated at least annually by the Audit and Risk Committee.

## Identification and evaluation of principal risks and uncertainties

The operations of the Group and the implementation of its objectives and strategy are subject to a number of risks and uncertainties. The Board actively identifies and evaluates the risks inherent in the business; formally reviews these on at least an annual basis (or as market or business developments require); and ensures that appropriate controls and procedures are in place to monitor and, where possible, mitigate these risks. Specifically, all decisions relating to strategic partnerships and other collaborations, strategic acquisitions and disposals and significant long-term debt facilities entered into by the Group are reserved for the Board's review and approval.

The Board regularly reviews significant fair-value movements in individual portfolio companies, concentrating on the Group's investments in its most valuable portfolio company holdings. For details on the activities of the Audit and Risk Committee and the Group's Valuation Committee see pages 101 to 105.

As described on page 38, the Group maintains risk registers setting out mitigations in place in each case. The principal risks and uncertainties faced by the Group, as well as the relevant mitigations, are set out on pages 40 to 48.

## Information and financial reporting systems

The Group evaluates and manages significant risks associated with the process of preparing consolidated financial information by having in place systems and controls that ensure adequate accounting records are maintained and transactions are recorded accurately and fairly to permit the preparation of financial

statements in accordance with IFRS. The Board approves the annual operating budgets and receives details of actual performance measured against the budget at each meeting.

Further details in relation to the Group's approach to the management of its business risks, and the function and ongoing roles and responsibilities of its internal Risk Council are set out on page 38.

## Engaging with key stakeholders

Engaging with stakeholders is an integral part of the Group's governance and decision-making procedures and is critical to ensuring the future success of the business. During 2024, the Board completed its annual review of the mapping of its key stakeholders, ensuring all its key stakeholders were captured. This process will be repeated again in 2025.

Heejae Chae was re-elected as a Director at the 2024 AGM with the support of 78.28% of shareholders voting. In accordance with the Code, the Group undertook a vote-matching exercise to understand the breakdown of which shareholders voted against the resolution. The Chair then wrote to such shareholders inviting their engagement on the matter in order that the Board may better understand the reasons why they had voted against the resolution. Various feedback was received via email and on a follow-up call with the Chair. The Board has taken on board such feedback which essentially reflected the voting policies of certain shareholders regarding the number and type of board appointments an individual Director should hold. The Board unanimously believes that Mr Chae continues to fully deliver against all of his responsibilities and is of the opinion that his contribution continues to add significant value to the Company, including as Chair of the Remuneration Committee. As such, the Board considers that it remains in the interests of all shareholders and other stakeholders that Mr Chae continues in his role as a Director of the Company and will be recommending the re-election of Mr Chae at the 2025 AGM. The Group updated the market on such shareholder engagement in December 2024, in accordance with Provision 4 of the Code.

Further details of the Group's engagement with its key stakeholders and issues that matter to such stakeholders are set out on pages 50 to 58.

## Annual General Meeting

Notice of the Annual General Meeting, which will be held on 12 June 2025 at IP Group plc, 3 Pancras Square, King's Cross, London, NIC 4AG, is included with this Annual Report, containing details of the resolutions to be proposed at the meeting and explanatory notes on those resolutions. To ensure compliance with the Code, the Board proposes separate resolutions for each issue and proxy forms allow shareholders to vote for or against, or to withhold their vote, on each resolution. The results are announced to the market and published on the Group's website after the meeting. Shareholders who attend the Annual General Meeting will have the opportunity to ask questions and all Directors are expected to be available to take questions. As noted above, questions may also be submitted at any time during the year to [cosec@ipgroupplc.com](mailto:cosec@ipgroupplc.com).

The Group's website ([www.ipgroupplc.com](http://www.ipgroupplc.com)) is the primary source of information on the Group. The website includes an overview of the activities of the Group; details of its portfolio companies, and its key university relationships and other strategic collaborations; and details of all recent Group and portfolio company announcements.

On behalf of the Board

**Sir Douglas Flint**  
Chair

25 March 2025

# NOMINATION COMMITTEE REPORT.



**Sir Douglas Flint**  
Chair

## Committee membership

The Nomination Committee currently comprises the following independent Non-executive Directors and the Chair, all of whose backgrounds and experience are summarised on pages 61 to 63:

- Sir Douglas Flint (Chair)
- Aedhmar Hynes
- Heejae Chae
- Dr Caroline Brown
- Anita Kidgell

## Report contents

- Principal responsibilities
- Key activities in the year
- Meetings and Terms of Reference
- Appointments
- Diversity and inclusion
- Succession planning
- Board effectiveness and performance review

## Principal responsibilities

The key objective of the Nomination Committee is to ensure that the Board comprises individuals with the necessary skills, knowledge, independence and diversity of thought and experience, to ensure that the Board is effective in discharging its duties and is independent for the purposes of the Code. The principal responsibilities of the Committee are to:

- Regularly review the size, composition and skills of the Board and lead the process and make recommendations on any changes considered necessary in the identification and nomination of new Directors, the reappointment of existing Directors and the appointment of members to the Board's committees
- Ensure that there is a formal, rigorous and transparent procedure for the appointment of new Directors to the Board
- Assess the roles of the existing Directors in office to ensure there continues to be a balanced Board in terms of skills, knowledge, experience, independence and diversity and that each Director has and contributes sufficient time to effectively perform their respective roles
- Keep under review the leadership needs of the Group to enable the Group to be successful in its chosen fields, earn the support of key stakeholders, including shareholders and deliver on its strategy
- Advise the Board on succession planning for Directors and other senior management appointments, given that the Board as a whole is responsible for succession
- Oversee a pipeline for succession based solely on merit and with due regard to the benefits of diversity in all its aspects
- Guide the Executive Directors on the setting of diversity and inclusion policies, objectives, targets and strategies, alongside the Group's People Director, and monitor the impact and outcome of any agreed initiatives

- Oversee the induction of new Directors and the training requirements of the Board as a whole
- Oversee the Group's controls over potential and actual conflicts of interests of the Directors and senior management, including disclosure, authorisation and management of such conflicts as may be appropriate or otherwise required by both the Group's Conflict of Interests Policy and applicable law or regulation
- Assist the Chair in the annual performance review of the Board; ensure an externally facilitated performance review is conducted at least once every three years; and oversee the implementation of any actions or feedback arising from each such review

## Key activities in the year

The key areas of focus for the Committee in 2024 included:

### Board composition

- A review of the size and diversity of experience within the Board, including a review of an updated skills matrix of the current Board members as part of the medium-term Non-executive succession plan

### Succession planning

- A detailed review of the medium-term succession plan for the Non-executive Directors including the Chair
- A review of the Executive and senior management succession plans in both 2024 and early 2025, the latter review taking into account changes to the structure and senior employees of the organisation following the H2 reorganisation

# NOMINATION COMMITTEE REPORT.

## Governance and I&D

- Receiving an update from the Group’s Inclusion and Diversity Project (“IDP”) on the Company’s progress against milestones and considering whether current target setting continued to be appropriate
- A review of the terms of reference for the Nomination Committee

## Performance Review

- Overseeing the implementation of the actions identified during the 2023 internally facilitated performance review of the Board, its committees and each Director
- Overseeing the internally facilitated review of the Board, its committees and each Director in 2024

## Meetings and terms of reference

The Nomination Committee meets as and when required, or as requested by the Board, and had three scheduled meetings during 2024. The attendance by each member of the Nomination Committee at the scheduled meetings during 2024 is set out on page 59.

The terms of reference for the Nomination Committee were reviewed on 4 February 2025 and it was concluded that no substantive updates were required at this time. The Nomination Committee reviews its terms of reference at least annually and will propose updates where necessary to reflect evolving market practice applicable to the Company and best corporate governance.

## Appointment process

In making appointments to the Board, the Nomination Committee adopts a formal, rigorous and transparent procedure. It considers the balance, skills, knowledge, independence and diversity characteristics (including diversity of gender, social and ethnic backgrounds, cognitive and personal strengths) and equal opportunity of the Board. Where relevant, and particularly in considering matters of succession, the Committee also considers the future challenges likely to face the business, any emerging trends that may affect the Group’s long-term success and any specific technical skills and knowledge that may be required on the various committees.

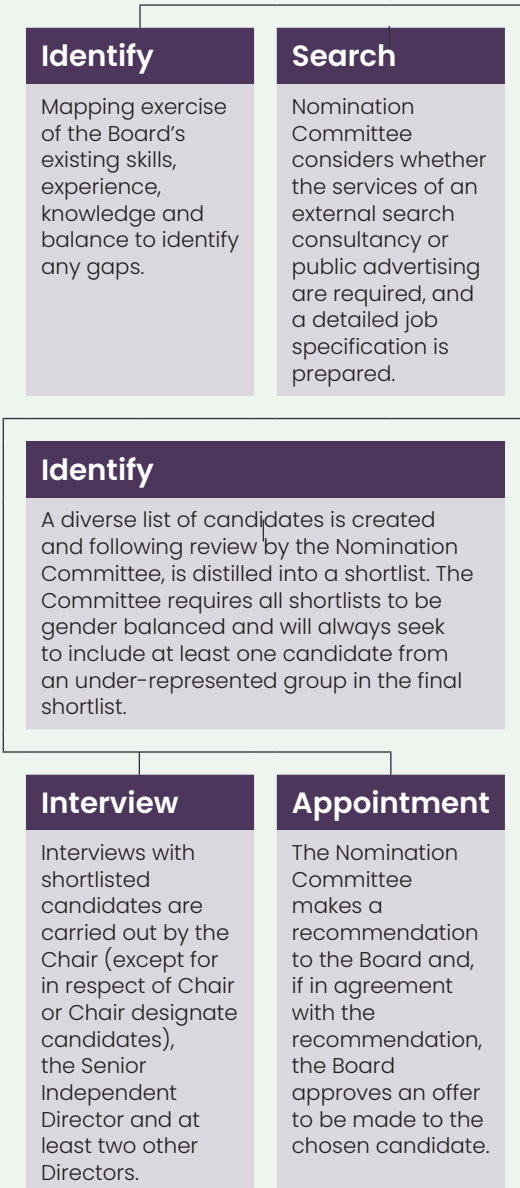
In addition, for appointments to the Board, the Nomination Committee will always assess any potential conflicts of interest and whether identified candidates have sufficient time available to devote to the role and meet what is expected of them effectively.

## Induction process

The Group’s induction programme for new Non-executive Directors is tailored to the needs of each Director, agreed with them in advance and monitored throughout the process to ensure each new Director gains a good understanding of the Group, its strategy, its people, its portfolio and its business. The typical process for an induction includes:

- An overview of the Group and its businesses, structure, functions, strategic aims, risk management framework and remuneration policies
- Meetings with both Executive Directors, the Managing Partner, the Company Secretary and the other members of the Executive team
- Meetings with both the Group’s auditor and internal audit function
- Training on key legal, regulatory and governance matters relevant to the Group and its policies
- Meetings with some of the Group’s priority portfolio companies and presentations from their management teams on their businesses
- Observing a meeting of the Valuation Committee
- Sessions as appropriate with the Group’s advisors, as well as with appropriate external governance specialists, to ensure the Director understands the responsibilities and obligations as a Director of a FTSE 250 company, and of the governance, regulatory and legislative framework within which the Board must operate

The appointment process to the Board is as follows:



# NOMINATION COMMITTEE REPORT.

## Diversity and inclusion

The Board is committed to establishing and maintaining a culture that attracts and retains talented people to deliver outstanding performance and enhance the success of the Group. Within that culture, the Board's policy is to make appointments to the Board and senior management based upon merit measured against objective criteria, whilst recognising that diversity, in all its many forms, is key to introducing different perspectives into Board debate and decision-making and creating optimal balance and composition of the Board and the Executive team.

The Nomination Committee applies the Board's diversity strategy and policy in accordance with its terms of reference; considering diversity in the widest possible sense in evaluating the composition of the Board and the Executive team, identifying suitable candidates for the Board and Executive team and overseeing the maintenance of a diverse pipeline for succession. The Board also ensures that the same rigorous approach is applied to roles across the wider senior management team.

The Group supports the diversity targets and recommendations of the FTSE Women Leaders Review (aiming to have at least one woman in the Chair or Senior Independent Director role and 40% female representation on the Board and in senior management roles); and the Parker Review updates issued in 2020 and 2023.

As of 31 December 2024, the Board meets the Financial Conduct Authority's Listing Rule 6.6.6R(9) target of at least 40% of individuals on its Board being women, at least one individual on the Board being from a minority ethnic background and at least one senior Board position being held by a woman. Diversity information for the Board, senior management and the gender split for the Group as a whole, as at 31 December 2024, can be found on pages 29 and 30.

Given the Group's small team, previously low turnover, and its focus on ensuring that every appointment is based on an objective, merit-based process, we have continued with our preference of not setting hard targets for gender, ethnicity or other characteristics

as part of our recruitment processes. The Committee continues to aspire to the organisation being representative of the communities in which we operate, and monitors progress in this area accordingly. Hard targets would have been difficult in 2024 given the additional challenges presented following the corporate reorganisation we conducted this year, which involved a number of redundancies and an almost total freeze on recruitment for 2025. However, following the updated Parker Review guidance from 2023 and the move beyond a "one and done" approach to ethnic diversity, last year we set for the first time a target of 15% of our senior management team being from an ethnically-diverse background by the end of 2027. Following the reorganisation and considering the anticipated minimal level of recruitment in 2025, we do not expect to make any significant progress against this target in the short term, but will of course continue to consider it within any recruitment activity. We will also further review both the target and any progress against it as part of our regular review cycle towards the end of the year, as well as actions that may be required following such review.

The Group's broad commitment to inclusion and diversity is not limited to the areas directly overseen by the Committee. The Committee has also been active in overseeing the continuation and evolution of the inclusion and diversity strategy for the whole Group, which is overseen by the Group's Inclusion and Diversity Project ("IDP"), an employee-led Group which develops and owns the forward-looking plan to embed diversity within our culture.

Once again, the Committee is proud of the work undertaken by the IDP throughout 2024 to maintain a forward-looking plan of development and improvement actions. Both the Committee and the Board have received regular updates on the work of the IDP, monitoring progress against deliverables and ensuring that the Executive team are appropriately focused on this across all areas of the business.

## Succession planning

The Nomination Committee recognises that the Group's performance is highly dependent upon its ability to attract, recruit and retain the highest-quality people and that maintaining a robust succession planning framework is a key factor in ensuring the Group's long-term success. Succession planning also mitigates the risk of unforeseen circumstances creating a need for urgent remedial action, ensuring that changes in Board or senior management positions are effectively managed, avoiding significant disruption to the Group and thereby ensuring that the Group can successfully execute its corporate strategy.

## Executive Directors

In partnership with the Group's People Director, the Committee reviewed and agreed an updated succession plan for both Executive Directors and senior management early in 2024. This has been updated and refreshed in early 2025 to reflect changes required following the corporate reorganisation during H2 2024.

The Committee noted that, consistent with its conclusions from previous years, one of the disadvantages of a small internal team is the lack of "bench" coverage for some of the roles. In these cases, the Committee noted that emergency plans for either internal coverage via a redesign of roles and responsibilities, and/or a plan to cover the roles with external resource for an emergency period, remained in place, should this be required. The Committee therefore remains satisfied that management focus on succession is sufficient to mitigate any short-term or emergency challenges, and that the management team is balancing succession and continuity requirements with appropriate and continued control over operational expenditure.

Overall, the Nomination Committee remains confident that the Board and Executive team are well positioned to deliver the Group's strategy into 2025 and beyond.

## Non-executive Directors

In June 2024, Dr Elaine Sullivan stepped down from the Board following her ninth year of tenure. The Committee had already agreed, following its review of the updated

## NOMINATION COMMITTEE REPORT.

skills matrix after the appointment of Anita Kidgell in early 2023, that the Board would be able to continue to operate effectively without an immediate replacement for Dr Sullivan, given Ms Kidgell's skill-set had mitigated any immediate skills gaps left following Dr Sullivan's departure. No additional Directors were therefore appointed during the year. The Committee did however, as part of its annual review of the Board composition, recommend the reappointments of both myself and my colleague Heejae Chae for our third three-year terms, subject to annual re-election by shareholders. The Committee remains of the view that maintaining a 5:2 ratio on the Board for a period of time will allow for additional flexibility to identify, recruit and onboard candidates for the key Board positions going forward.

However, the Committee continues to be mindful that the maximum nine-year appointment term of each of myself, Dr Caroline Brown (Audit & Risk Committee Chair), Heejae Chae (Remuneration Committee Chair) and Aedhmar Hynes (Senior Independent Director and Designated NED) are all coming to an end in a relatively short timeframe during 2027/28.

As such, through 2024, the Committee has discussed on several occasions the appropriate timeline and sequencing of the various Board appointments that will need to be made, including to ensure a satisfactory combination of continuity and effective and meaningful handover periods. Members of the Committee have also engaged on a high-level basis on this topic with some of the larger shareholders to seek their views, as a further input into the process. Following these discussions and considerations, a plan for orderly succession has been formulated, which the Committee will begin to execute during 2025 (with the Senior Independent Director leading Chair succession), allowing plenty of time for an orderly process and transition over the following years.

### Below senior management

In addition to succession planning at Board and senior management-level, developing internal talent at all levels within the Group remains a continuous process. The Nomination Committee is responsible for ensuring that suitable assessment and development plans are in place to maximise the potential of the Group's employees and that the Group has effective recruitment policies to continue to attract and retain a diverse mix of talented employees. The Committee remains confident that this is the case, albeit is cognisant that, following the reorganisation in H2 2024, and the need for continued control over operational expenditure, recruitment is likely to be relatively minimal through 2025, and that the focus will be on the retained employees and their development needs, as well as appropriate emergency succession plans to effectively mitigate any unplanned turnover.

### Board effectiveness and performance review

In line with best practice under the Code, the Board carries out a review of the effectiveness of its performance and that of its Committees and Directors every year. This review is externally facilitated every three years with the next external performance review due in 2025. The 2024 review was therefore an internal review, and was led by the Chair, with the support of the Company Secretary, in line with the process set out right.

### Board review process

Summary of progress against the actions from the 2023 Board effectiveness review prepared

Board members requested to complete questionnaires and review summary of progress against 2024 actions. Follow-up calls to go through the outputs with the Company Secretary were held, as necessary

The Company Secretary summarised the outputs of the above in reports for the Board and its Committees

Results were presented and discussed at Board and Committee meetings

Actions and priorities for 2025 were agreed, as set out on page 77

# NOMINATION COMMITTEE REPORT.

## Progress against 2024 actions

Set out below is the progress made in 2024 against actions identified through the 2023 internally-facilitated Board effectiveness review.

	Action	Progress
<b>Portfolio oversight</b>	Continue to challenge and hold the Executive Directors and the wider investment teams to account for delivery of priority portfolio company 2024 milestones; undertake scenario planning for various outcomes in key portfolio companies through 2024.	Priority company progress against milestones reported on specifically by the Executive Team (balance sheet) at each Board meeting. Scenario planning for key portfolio companies was prepared for the Board and challenged continuously throughout the year.
<b>Non-executive sessions</b>	Schedule additional NED-only focused sessions around Board meetings, in addition to NED-only dinners, to fully capitalise on the time everyone is all together around the Board table.	Regular NED-only sessions held during the year, both before and after Board and Committee meetings, which added to the richness and challenge of debates and discussions at the meetings themselves.
<b>Succession planning</b>	Agree the staging and timetable for Non-executive Director and Chair succession planning through to 2027/28 and begin implementing the same towards the end of the year.	Timetable discussed at each Nomination Committee meeting through the year; agreement of a plan and execution timetable reached during 2024.
<b>Board materials</b>	Continue to evolve the structure and succinctness of Board and Committee papers to focus Board discussion and challenge on the material questions.	The Company Secretary team worked closely with the Chair and the Executive Directors to significantly reduce the size of, and duplication within, Board and Committee papers.
<b>Executive Committee/ Group connectivity</b>	Seek greater participation from the wider Executive Committee members on ways in which the Board could add further value during its interactions with them and their respective teams through 2024; seek and respond to additional feedback and ideas through IP Connect to continue effective Board connectivity with the wider organisation.	Annual fireside Q&A held with the Non-executive Directors. Designated NED continued to attend all IP Connect meetings, including around the corporate reorganisation (see more on page 52). Executive team members attended and fully participated in the Board strategy days.
<b>Shareholder engagement and Board profile</b>	Consider additional opportunities to utilise the Chair and NEDs for increased engagement with investors and shareholders; consider ways, including through investor events, the Group's website etc. to highlight the individual experience of the NEDs and their strengths/the collective strength of the Board.	Board members attended the Group's 2024 flagship event, as well as other sector-based events held through the year. The Chairman and Senior Independent Director held several one-to-one meetings with larger shareholders throughout the year.
<b>ESG</b>	Continue to actively oversee the Group's commitment to and communication of its approach to ESG matters, including challenging how what we are doing compares to others in our peer group and aligns with external investor priorities.	The Board continued its active oversight of the Group's approach to ESG, with Anita Kidgell attending ESG Committee meetings and reporting back to the Board on progress. The corporate reorganisation in H2 2024 has caused a full review of the Groups' approach, including versus its peers, to ensure deployment of ESG resource is optimised, proportionate and fit for purpose for the Group.

# NOMINATION COMMITTEE REPORT.

## Conclusion of the 2024 review

The 2024 internal review concluded that the Board, each of its Committees and each of the Directors continue to operate effectively to achieve its and their objectives. All Board members agreed that the Board had continued to operate with a positive and supportive culture, enabled by a strong Chair. The collegiate nature of the Board, the diversity of its members and the high level of trust, openness and mutual respect at meetings were highlighted, as well as the significant challenge fostered by the Chair.

As part of the internal review, Board members agreed that good progress had been made against the Board's 2024 priorities. Further, an agreed set of priorities for the year ahead has been agreed for each of the Chair and the Board.

Key priorities for the Board through 2025 include:

Theme	Actions
<b>Shareholder returns</b>	Given the persistence of the discount to NAV, continue to challenge management on the Group's strategy around returns to shareholders including the mechanisms to be used, the levels and the proportion of realisations to be returned; oversee any resulting actions.
<b>Portfolio focus</b>	Undertake more detailed and regular reviews of the key portfolio companies through the year, to include scenario planning, and an even fuller understanding of the risks and opportunities presented for each.
<b>Business model evaluation</b>	Further evaluate and challenge the Group's business model to identify focus areas for its evolution; oversee any resulting actions.
<b>Succession planning and Board effectiveness</b>	Continue in-year focus on succession planning to ensure the Board's purpose and composition evolves as required and to address known succession requirements over the next 3 years. Such work to include an externally facilitated Board effectiveness review through Q3/4 2025 and a plan to build upon the outputs of this.

## Director performance assessment and review

The performance of each of the Non-executive Directors is reviewed by the Chair with support from the Company Secretary; the performance of the Chief Executive Officer is reviewed by the Chair; and the performance of the Chief Financial and Operating Officer is reviewed by the Chief Executive Officer as part of the annual appraisal process. In addition to those reviews, the performance of the Executive Directors is reviewed by the Board on an ongoing basis. One-to-one meetings have been held amongst the individuals concerned and individual development plans arising from these meetings are now in place for the year ahead. As an integral part of these reviews, the time commitment required of each individual Non-executive Director is reviewed alongside their other commitments. I am pleased to confirm that following this review I am satisfied that each of our Directors is able to commit sufficient time to the Group to effectively discharge their role. Further, as part of the Board's continued development, certain Board awareness sessions have been planned for 2025, to include continued exposure to and interaction with portfolio companies and their management teams. In addition, an annual corporate governance update and presentations from the Group's brokers and corporate finance advisors on shareholder perception, market performance (including versus the Group's peer group), potential strategic opportunities, defence strategies and shareholder activism are all planned for 2025.

The Chair's performance is reviewed by the Senior Independent Director based on feedback from discussions with individual Directors; the resulting assessment is discussed with the Chair by the Senior Independent Director and actions required by the assessment are included in the Chair's objectives for 2025. The Senior Independent Director reported back to the rest of the Board regarding this assessment and was pleased to confirm the Chair performed effectively during 2024.

Given each of the performance reviews found that each Director continued to perform, the Committee recommends that each Director should be recommended for re-election by shareholders at the 2025 AGM. Further details of the Directors' skills, experience and expertise are set out on pages 61 to 63.

### Sir Douglas Flint

Chair of the Nomination Committee

25 March 2025

# DIRECTORS' REMUNERATION REPORT.



**Heejae Chae**

Chair of the Remuneration Committee

## Committee membership

The Remuneration Committee currently comprises the following independent Non-executive Directors and the Chair, all of whose backgrounds and experience are summarised on pages 61 to 63:

- Heejae Chae (Chair)
- Sir Douglas Flint
- Dr Caroline Brown
- Aedhmar Hynes
- Anita Kidgell

## Report contents

- Principal responsibilities
- Committee focus and key activities 2024
- Review of Remuneration Policy
- Remuneration at a glance
- Remuneration Policy 2025-27
- Annual report on remuneration

## Principal responsibilities

The terms of reference for the Remuneration Committee were reviewed and adopted by the Board in December 2024. The Committee will continue to review its terms of reference at least annually, and will propose updates where necessary or appropriate. The key responsibilities of the Committee are unchanged, as follows:

- Determine the policy for Executive Director remuneration
- Design and set the remuneration for the Chair, Executive Directors and senior management
- Review workforce remuneration and related policies to ensure the Group attracts and retains the best talent
- Review remuneration practice and overall costs to the Group
- Consider retirement benefits and other employee benefits offered
- Consider the engagement and independence of external remuneration advisors
- Establish the Group's policy with respect to employee incentivisation schemes

The full terms of reference of the Committee are available on the Group's website at [www.ipgroupplc.com](http://www.ipgroupplc.com).

Committee meetings are administered and minuted by the Company Secretary. In addition, the Committee receives assistance from the CEO, CFO and Group People Director who attend meetings by invitation, except when matters relating to their own remuneration are being discussed.

## Committee focus and key activities in 2024

During 2024, the Committee continued to work to ensure that the implementation and outcomes of the Remuneration Policy agreed at our 2022 AGM remain reasonable and aligned with both performance and shareholder interests. The Committee also undertook a robust review of the Remuneration Policy itself, and having initially determined that this review would be best supported by a change in external advisor, completed the process of appointing and embedding a new independent advisor in Alvarez & Marsal ("A&M").

The Committee's work on both in-year implementation of the existing policy and the determination of the right forward-looking approach was particularly complex during 2024. As set out on pages 10 to 15, 2024 was a successful year for the Group in a number of areas. In particular, the Committee noted the strong performance on exits during the year, which will underpin the financial position of the Group whilst the existing portfolio continues to mature and deliver further returns. The Committee also noted the continued emerging pipeline of new opportunities, as well as the successful delivery of a major cost-reduction exercise and the significant levels of third-party capital raised.

However, two of our key metrics, NAV and our share price, remained challenging throughout 2024. The Committee remains confident in the strategic direction of the Company, and believes that the management team is addressing these issues in the right way to deliver medium- and long-term shareholder value. Much of the Committee focus during 2024 has been on ensuring that this context is addressed in a balanced way when considering both remuneration outcomes for 2024 and an appropriate Remuneration Policy to drive future performance.

## DIRECTORS' REMUNERATION REPORT.

It is with these factors in mind that the Committee considered salary levels for the Board during the year. As we disclosed in the 2023 report, we originally planned to award a small increase to both Executive and Non-executive Directors for 2024. However, in the context of both performance and cost pressures, the Committee ultimately determined that it would be more prudent to hold salaries at 2023 levels. Therefore no salary or fee increases were awarded during the course of the 2024, and this approach will also be carried forward to the 2025 review.

The same factors influenced the Committee's consideration of the appropriate vesting level for the first Restricted Share Plan ("RSP") awards made in 2022. This was considered extensively during the latter part of 2024, in anticipation of performance levels versus the underpin in place for that award. To ensure outcomes were appropriately aligned to the shareholder experience, the 2022 award (and all subsequent awards) was subject to a robust underpin with a quantitative trigger.

As a result of the significant external market pressures which have impacted business performance over the three-year period, and the subsequent falls in NAV and below market TSR over the period, the underpin condition was not met. As such, and in line with the terms of the underpin, the Committee actively reviewed the vesting level for the 2022 RSP award, considering quantitative performance measures as well as taking into account a broader review of performance. As part of this review, the Committee noted the actions taken by the management team to assure long-term shareholder value growth, including the significant and sustained level of realisations, strong cash position of the Group, level of cash returned to shareholders and the strong pipeline of future opportunity.

Taking into account the wide range of factors specific to this award, and after careful and balanced consideration, the Committee concluded that none of the 2022 RSP awards would vest, and they will therefore lapse in full.

Following year-end, the Committee considered the calculated Annual Incentive Scheme ("AIS") outcome

of 42.5% of maximum for 2024, and determined that it appropriately reflected and fairly balanced the successes delivered and continued pressure experienced through 2024. This will result in a payout of 31.9% of salary for the Executive Directors, a portion of which will be received in deferred shares.

In addition, and throughout the year, the Committee has:

- Undertaken a full review of the Director's Remuneration Policy, as set out in more detail below
- Consulted with shareholders on our intended approach to Remuneration Policy in advance of publication
- Considered the skills and experience of the Executive Directors and the wider business leadership, and commissioned external benchmarking in order to determine base salaries and total remuneration opportunity
- Reviewed the application of the Group's Remuneration Policy for non-Director employees, including the Group's approach to salary reviews, as well as individual base salaries and incentive scheme targets and pay-outs
- Engaged with employees on the subject of remuneration in both 2024 and early 2025 via our employee forum "IP Connect"
- Considered and approved the appropriate vesting level for the 2021 LTIP awards which ultimately lapsed in 2024, monitored potential outturns for the 2022 RSP awards, and ultimately determined the correct vesting level as set out above
- Considered the level of the 2025 RSP awards
- Considered the Annual Incentive Scheme ("AIS") awards and Group performance targets and out-turns as relevant for 2023, 2024 and 2025

### Review of Remuneration Policy

To ensure that our Executive Director remuneration remains aligned with shareholder interests through the next Policy cycle, during 2024 the Committee undertook a full review of the current Policy and alternative options available. This review was undertaken with the help

of A&M, who replaced Deloitte as the independent Remuneration Committee Advisors in early 2024.

The review considered all of the key elements of remuneration, including the overall quantum (both in absolute terms and versus market peers), incentive mix, shareholding guidelines, bonus deferral mechanism, equity incentive structure and quantum as well as the structure of the underpin applied to Restricted Shares. As further context, we also took into account evolving practice in the UK market as well as Group performance over the last policy period, particularly reflecting upon the impact of the switch to restricted shares on behaviour, activity focus and shareholder alignment.

The Committee considered a wide range of alternative remuneration structure options in detail. Ultimately we concluded that the fundamental reasons for the decisions we made on structure, remuneration mix and the design of specific elements of the package in 2022 remain as applicable today as they did then.

The Committee went to great lengths in 2022 to develop and build consensus for a bespoke approach constructed to specifically address the unique remuneration challenges posed by IP Group's characteristics. Principally, this included improving the alignment of interests through the longer investment and performance cycle by combining prudent base salary with a very low maximum bonus, and delivery of the vast majority of our variable remuneration through Restricted Shares. This model, in particular the focus on equity awards with a robustly operated underpin, directly aligns the interests of the management team with our long-term shareholders.

Retaining this alignment is hugely important as we seek to grow the business and net asset value over the coming Policy period. As such, and with the first Restricted Share awards made under the current structure only now reaching the point of vesting, we concluded that there is no compelling rationale for change at the current time, nor any remuneration structure or mix that better suits our needs.

## DIRECTORS' REMUNERATION REPORT.

The table below therefore summarises the key elements of the existing Remuneration Policy and remuneration framework which we will be seeking to renew, along with a short summary of supporting rationale in each case. The following pages contain more detail on our approach:

Remuneration element	Policy summary	Rationale
<b>Salary</b>	Market competitive, benchmarked to both the lower half of the FTSE 250 and comparative peer group	Alignment to a mid-market level to ensure ability to attract and retain individuals with the experience, personal attributes and skills required to define and deliver the Group strategy
<b>Pension</b>	10% of salary (aligned to workforce)	Provision of an equitable, competitive post-retirement income to all employees regardless of seniority
<b>Annual Incentive Scheme</b>	<p>Maximum of 75% of salary</p> <p>50% of any payment over £25,000 deferred into shares over two years</p> <p>Majority of outcome based on measurable financial objectives linked to strategy</p>	Variable remuneration to recognise short-term positive outcomes which are aligned with shareholder interests, with the overall quantum (very low versus UK-listed peers) set to recognise the primarily long-term nature and potential asymmetry of performance outcomes within our business model
<b>Restricted Share Plan</b>	<p>Maximum award of 200% of salary (CEO) or 133% of salary (CFOO)</p> <p>Three-year vesting/Two-year hold</p> <p>Quantitative underpin (see page 85)</p>	Competitive long-term share awards, which act as the primary incentive to the management team and directly align the interests of management with those of long-term shareholders and other stakeholders
<b>Minimum shareholding</b>	<p>350% of salary (CEO); or</p> <p>250% of salary (CFOO); and</p> <p>Two-year post cessation of employment requirement (see page 87)</p>	Set at a relatively high level versus market comparators to reflect the importance of long-term alignment between the Executive Directors and our shareholders, and the potential value delivered by our use of Restricted Shares. It is intended that the personal wealth of the Executive Directors is ultimately inherently and directly linked to the performance delivered to shareholders, and the combination of Restricted Share Awards, a quantitative underpin and minimum shareholding is set with this objective in mind

# DIRECTORS' REMUNERATION REPORT.

## Restricted Share Award underpin

The Committee noted that the underpin in place for the Restricted Share Plan awards made in 2022, 2023 and 2024 is one of the most robust in place for any restricted share award in the UK-listed market. As part of the Committee's review, due consideration was also given to the structure and measures contained within this underpin, and whether it was appropriate to more closely align with evolving market practice in this area by moving from our quantitative trigger to a more qualitative approach. However, the Committee concluded that the existing structure, combined with robust Committee oversight of all vesting events provides an important safeguard, given the overall size of the awards. As such, the Committee determined that the underpin for awards made in the coming policy cycle would also be carried forward unchanged. This can be found on page 91.

## Shareholder feedback

We remain committed to maintaining open and transparent remuneration principles and practices. Therefore, as part of this Remuneration Policy review, we have sought feedback from both shareholders and proxy advisory groups which helped to inform the final decision. Ahead of the recommendation we reached out to over 65% of our register to gather feedback.

The majority of the shareholders we engaged with indicated their support for our proposals, including a number of our largest holders. They acknowledged the need to maintain a thoughtful and distinctive approach, to align our remuneration with the strategy and characteristics of our business, and were supportive of the structures we put in place in 2022.

Whilst no explicit policy changes were made as a result of the feedback received, the Committee is confident that the structure in place combined with robust and active management of remuneration outcomes (including the quantitative underpin and robust annual review of RSP vesting) means it can manage remuneration in line with the best interests of shareholders over the forthcoming policy period.

As such, we believe that the policy remains appropriate for our distinctive business model and in the best interests of our Company and shareholders. We therefore recommend that shareholders vote in favour of the new policy.

## Employee engagement

In February 2024, Aedhmar Hynes (our Designated NED) and I directly engaged with our employee forum "IP Connect" on the subject of Executive remuneration. We repeated this exercise in early 2025, as part of our commitment to ensure that this direct dialogue with employees takes place at least once each year, enabling our employees to have the opportunity to both challenge our direction and inform our decision-making process.

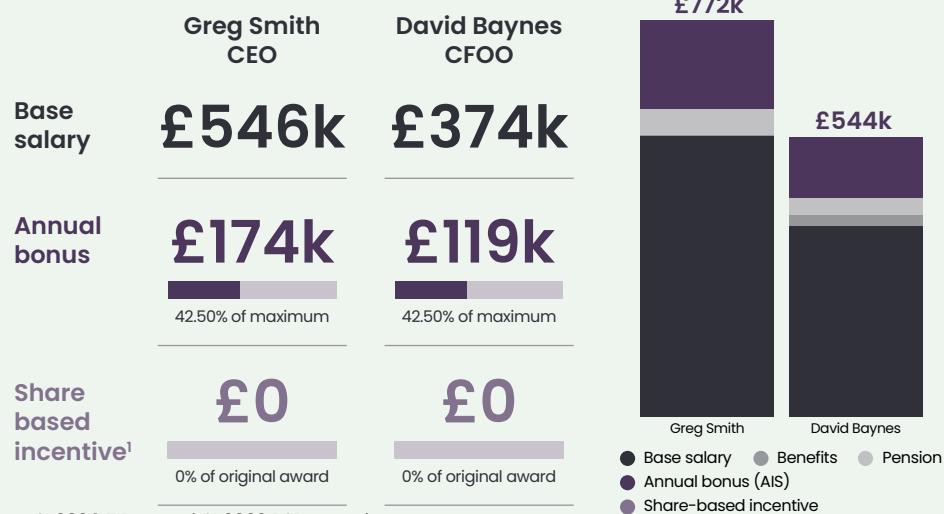
The input provided by IP Connect informed our decisions relating to both our overall policy and our approach to the determination of outcomes for 2024. Once again, we were encouraged by the level of engagement and quality of discussion. It was also reassuring to find that our overall strategy for Executive remuneration (outlined in the Policy) remains well understood, and is considered by employees to be fair, equitable and reasonable in the context of the remuneration we offer elsewhere in the business.

## Structure of this report

The following pages contain our proposed Remuneration Policy in full. This section also contains a summary of how we intend to implement the policy during 2025 and detailed disclosure of outcomes in respect to 2024, summarised in "Remuneration At A Glance". We have included additional information on our bonus metrics for 2024 and 2025, in response to proxy agency and shareholder feedback.

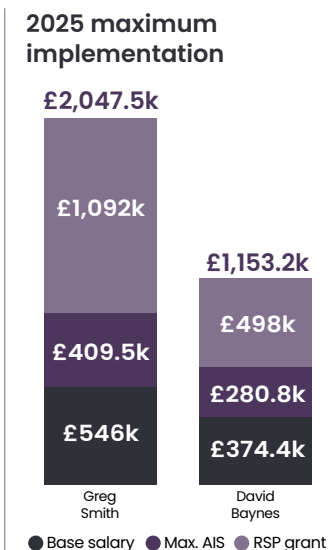
# REMUNERATION AT A GLANCE.

## 2024 Single Figure



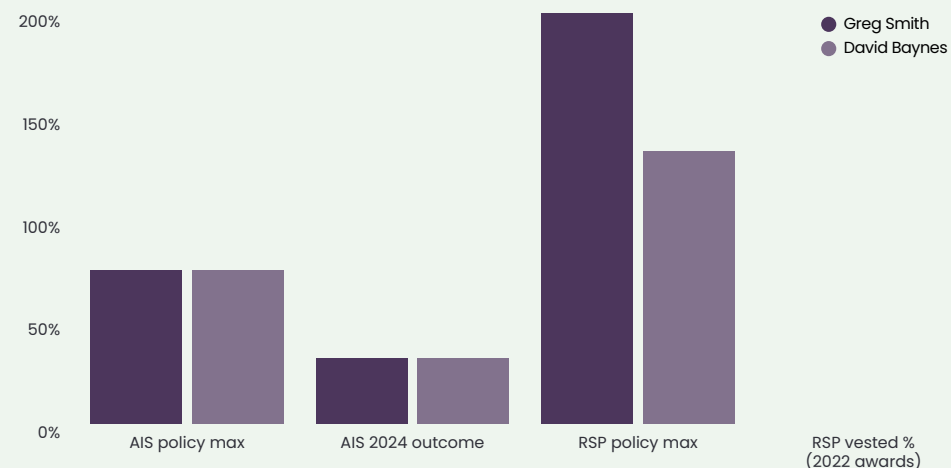
<sup>1</sup> % 2021 LTIP award, % 2022 RSP award

## Base pay and total package

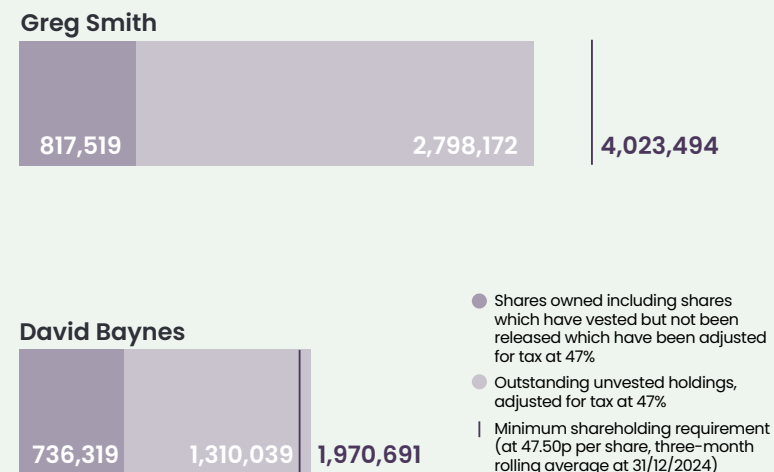


## Variable Pay, Awards & Outcomes 2024

### Remuneration outcomes versus policy 2024



### Directors' shareholdings



# REMUNERATION POLICY 2025.

This section sets out the Company's policy on the remuneration of its Executive and Non-executive Directors (the "Policy"), which will become effective, for a period of up to three years, subject to approval by shareholders at our AGM on 12 June 2025.

As described in the Remuneration Statement, our Policy remains consistent with that introduced in 2022, with no changes proposed for the forthcoming policy period. This approach remains aligned to our long-term value creation philosophy. We have engaged widely with shareholders throughout the renewal process to ensure that shareholder input was taken into account.

The basis for our approach to remuneration also remains consistent with that established in 2022, which followed a comprehensive review of the structure from first principles. In summary, our objective continues to be to maximise the long-term alignment of the management team and our shareholders, primarily through reinforcement of the culture and mindset of ownership. Further, we are seeking to align management incentive outcomes with the long term, asymmetric nature of our investments, whilst remaining sensitive to the requirements of our investors and other stakeholders alike.

To achieve these objectives the Committee continues to believe that the Group requires a remuneration structure that has incentive levers covering both the short term (one to three years) and the longer term (three to five years), weighted in proportion to their relative importance in driving ultimate returns for long-term shareholders. These are the only relevant remuneration levers for our Executive Directors, but for other key members of the wider management team this is supplemented by incentives directly aligned with those specific portfolio assets potentially over an even longer term (five to ten-plus years).

## Remuneration Policy table

The table below sets out the key components of the Policy for Executive Directors' remuneration. Our overall aim is to ensure that we retain individuals with the personal attributes, skills and experience required to deliver the Group's strategy, as follows:

Component	Purpose and link to strategy	How this component of remuneration operates	Maximum opportunity	Performance metrics
<b>Salary</b>	To provide an appropriate level of fixed cash income.	<p>Base salaries will be set by the Committee taking into account a range of factors, including but not limited to:</p> <ul style="list-style-type: none"> <li>• scale, scope and responsibility of the role, and the performance of both the individual and the Group</li> <li>• market data for similar roles in companies of comparable size and complexity</li> <li>• impact of salary increases on total remuneration</li> </ul> <p>Salary levels are reviewed in April each year</p>	<p>There is no prescribed maximum annual salary.</p> <p>Annual salary increases for Executive Directors will not normally exceed the average increase awarded to other UK-based employees, unless the Committee considers there are exceptional circumstances which mean this is appropriate.</p>	Not applicable
<b>Pension</b>	To provide a competitive post-retirement benefit in a way that manages the overall cost to the Group.	Contribution to Group Pension Plan, a personal pension plan of the relevant Executive Director's choosing or an equivalent cash alternative.	The maximum pension is aligned to the rate available to the wider workforce (currently 10% of salary).	Not applicable

# REMUNERATION POLICY 2025.

Component	Purpose and link to strategy	How this component of remuneration operates	Maximum opportunity	Performance metrics
<b>Benefits</b>	To provide a competitive and appropriate benefits package to assist individuals in carrying out their duties effectively.	<p>Ongoing benefits typically comprise, but are not limited to, health and travel insurance, income protection and life assurance and may also comprise a car benefit (or cash equivalent). Executives are also provided with telecoms and computing equipment needed to perform their duties.</p> <p>Executive Directors may also participate in any all-employee share plans that may be operated by the Group from time to time on the same terms as other employees.</p> <p>Additional benefits may be provided in certain circumstances if considered appropriate and reasonable by the Committee, such as when required on recruitment. This may include relocation or other expatriation benefits, allowances or other benefits. Executive Directors may also choose to participate in Group salary sacrifice arrangements as and when offered at their own discretion.</p>	<p>The cost of benefits provided changes in accordance with market conditions and will, therefore, determine the maximum amount that would be paid in the form of benefits under the Policy. There is, therefore, no overall maximum opportunity under this component of the Policy.</p> <p>Additional benefits, e.g. relocation, shall not ordinarily exceed 25% of base salary, other than in exceptional circumstances at the discretion of the Committee.</p> <p>Maximum awards under all-employee share plans would be subject to the prevailing statutory limit.</p>	Not applicable
<b>Annual Incentive Scheme ("AIS")</b>	To provide a simple, competitive, performance-linked annual incentive mechanism that supports our strategic objectives of long-term equity ownership and value creation and aligns the interests of management and shareholders.	<p>The AIS is reviewed annually prior to the start of each financial year to ensure the detailed performance measures and weightings are appropriate and continue to support the business strategy. Performance targets are set at or around the start of each financial year.</p> <p>Actual AIS amounts are determined via a two-stage process. Firstly, performance against the agreed metrics is assessed. Secondly, the Committee reviews these results in the context of underlying business performance and the Group's financial position and may adjust the stage one outcome at its discretion.</p> <p>Awards will typically be payable 50% in cash and 50% in IP Group shares granted under the IP Group plc Share Plan, over a minimum bonus amount which will be settled solely in cash. The Deferred Share award is made in the form of conditional awards of shares or nil-cost options (or equivalent at the Committee's discretion) and is subject to further time-based vesting over two years (50% after year one and 50% after year two). The Committee has discretion to adjust the percentage split between cash and shares and will set the minimum bonus amount each year, below which awards will be settled solely in cash.</p> <p>Malus and clawback provisions apply (see page 86).</p>	<p>The maximum annual level of award for Executive Directors is 75% of salary.</p>	<p>Specific targets and weightings may vary from year to year in accordance with strategic priorities but may include targets relating to:</p> <ul style="list-style-type: none"> <li>• Net Asset Value ("NAV") per share</li> <li>• Other in-year financial performance metrics (such as realisations or capital raised); and</li> <li>• appropriate non-financial measures where such metrics are strategically important (and aligned with long-term value creation)</li> </ul> <p>A higher weighting will normally be given to Group financial metrics.</p> <p>The AIS is a discretionary plan and the Committee retains the discretion to adjust targets for any exceptional events that may occur during the year, and to adjust any formulaic outcome to reflect overall business or individual performance or any other reason considered appropriate.</p> <p>The performance measures for 2025 are set out on page 91.</p>

# REMUNERATION POLICY 2025.

Component	Purpose and link to strategy	How this component of remuneration operates	Maximum opportunity	Performance metrics
<b>Restricted Shares</b>	To provide market competitive long-term share awards which align the interests of management and shareholders.	<p>Awards of shares which will normally vest after a period of three years, subject to review by the Committee of performance against an underpin.</p> <p>After vesting, shares are subject to a further two-year holding period.</p> <p>Awards of Restricted Shares will be granted under the rules of the IP Group plc Share Plan, and will typically comprise conditional awards of shares in IP Group (although instruments with similar economic effect may be used if considered appropriate).</p> <p>Malus and clawback provisions apply to every award (see section on page 86).</p>	The maximum award that may be made to the CEO in respect of any financial year of the Company is 200% of salary per annum, and the maximum award that may be made to any other Executive Director is 133% of salary per annum.	<p>Awards will be subject to a performance underpin measured over a three-year period. This is set for each individual award by the Committee, and will be based around the Group’s key financial and/or strategic measures.</p> <p>The underpin for the awards to be made in 2025 is set out on page 91. The Committee intends that a similar structure will be used for any awards granted in 2026 and/or 2027, but reserves the discretion to adjust the underpin criteria for future awards if it deems this to be appropriate.</p> <p>If any of the underpin criteria is not met, the Committee will consider whether it would be appropriate to scale back the number of shares that vest (including to nil).</p> <p>In addition to the fixed underpin criteria, the Committee also has general discretion to adjust vesting levels if it believes this will better reflect the underlying performance of the individual or the Company over the vesting period or where the outcome is not appropriate in the context of unforeseen or unexpected circumstances.</p>

## Notes to the Policy table

The Committee reserves the right to make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the 2025 Remuneration Policy where the terms of the payment were agreed (i) before the 2025 Remuneration Policy came into effect, provided that the terms of the payment were consistent with the shareholder-approved Directors’ Remuneration Policy in force at the time they were agreed; or (ii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes “payments” includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are “agreed” at the time the award is granted.

The Committee reserves the right to make minor amendments to the Policy, for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation, without seeking shareholder approval.

# REMUNERATION POLICY 2025.

## Malus and clawback provisions

The Committee has discretion to exercise the following malus and clawback provisions in respect of the AIS and the RSP in certain circumstances. These circumstances include: serious misconduct by a participant; material misstatement of financial results; payments based on erroneous or misleading data; serious reputational damage; material failure of risk management; and material corporate failure.

In these circumstances, the Committee may:

- claw back the value of any cash amount paid or Deferred Share award vested and/or cancel the vesting of any Deferred Share award, for a period of up to three years following the date of the relevant award or payment.
- reduce the number of shares in respect of an unvested Restricted Share award and/or claw back any shares which have vested for a period of up to five years following the date of award.

## Share and incentive plan discretions

The Committee will operate the Restricted Shares and Deferred Share awards in accordance with the rules of the IP Group plc Share Plan, this Policy and the Listing Rules where relevant. Awards may:

- have any underpins applicable to them amended or substituted by the Committee if the Committee considers that an amended or substituted underpin is reasonable, appropriate and not materially less difficult to satisfy than when it was originally set
- incorporate the right to receive an amount (in cash or additional shares) equal to the value of dividends which would have been paid on the shares under an award that vest, up to the time of release. This amount may be calculated assuming that the dividends have been reinvested in the Company's shares on a cumulative basis
- be adjusted in the event of any variation of the Company's share capital or any demerger, delisting, special dividend or other event that may affect the value of the Company's shares

## Approach to recruitment remuneration

The Committee will apply the Policy for any new Executive Director recruited to the Board in respect of all elements of forward-looking remuneration. The maximum level of variable remuneration will be within the usual maxima as set out in the Policy table (i.e. 75% of salary under the Annual Incentive Scheme and 200% or 133% of salary, as determined by their position under the Restricted Share Plan).

The Committee retains flexibility to provide benefits in kind, pensions and other allowances, such as relocation, education and tax equalisation, required in order to recruit the intended candidate.

On hiring an external candidate, the Committee may make awards to buy out remuneration arrangements forfeited on leaving a previous employer. In doing so, the Committee will seek to structure buyout awards on a comparable basis to awards forfeited, taking into account relevant factors including any performance conditions attached to these awards, the form in which they were granted (e.g. cash or shares) and the time frame of awards. It is intended that the value awarded would be no higher than, in the Committee's opinion, the expected value of the forfeited awards.

Similarly, the policy for a new Chair or new Non-executive Director would be to apply the same remuneration elements as apply to the existing Chair or Non-executive Directors under the Policy, as set out in the section on page 87.

In addition to the above principles, the following additional considerations may be applied as appropriate depending on the circumstances:

- Phasing of salary levels for new appointments over time
- In the case of internal promotion, any existing elements arising from an individual's previous role will continue to be honoured under the Policy, even if they may not otherwise be consistent with the policy prevailing when the commitment is fulfilled. This would include, if applicable, the retention of any interests under a Long-Term Incentive Carry

Scheme (or similar) awarded prior to becoming an Executive Director. However, no new allocations would be made

- In the case of promotion to Executive Director following an acquisition or other business combination, the Committee may permit equity-based incentive arrangements to continue in force if they can be "rolled-up" into awards over IP Group shares, provided the performance and vesting conditions are considered appropriate
- In the case of the recruitment of an executive at a time of the year when it would be inappropriate or not possible to provide a Restricted Share award for that year (for instance, due to price sensitive information), the quantum in respect of the months employed during the year may be transferred to and amalgamated with the subsequent year's award, if considered reasonable to do so by the Committee

## Loss of office payments policy

Executive Directors have service contracts that contain a contractual notice period of six months by either party. Executive Directors' service contracts do not contain any predetermined provisions for compensation in the event of early termination. When determining termination payments, the Committee takes into account a variety of factors, including individual and Company performance, mitigation of loss (for example, through new employment) and the relevant Director's length of service.

In the event that a contract is to be terminated, any payment in lieu of notice will be based on what would have been earned by way of salary over the notice period. Such payments to the Executive Director may be staged over the notice period, with appropriate consideration of mitigation.

All awards under the Group's AIS are discretionary. Should an Executive Director leave (or be under notice) during the financial year, no AIS award in respect of that year would typically be receivable. However, if the individual is a good leaver, they may remain eligible for an AIS award, subject to time pro-rating for the proportion of the year served and assessment of performance undertaken at the normal time following

## REMUNERATION POLICY 2025.

year end. Any AIS earned for the year may be paid wholly in cash at the discretion of the Committee.

On cessation of employment, the treatment of subsisting share awards would be in accordance with the IP Group plc Share Plan rules.

Unvested Deferred Share awards will normally lapse, unless the individual is a good leaver, in which case they will remain entitled to awards which will normally vest according to the original timescale.

Unvested Restricted Share awards would normally lapse. Where the individual is a good leaver, awards will usually be reduced on a pro-rata basis to take into account the length of the vesting period which has elapsed. Vesting and release would normally occur according to the original timescale and criteria, including the Committee's assessment of the underpin and remaining subject to any applicable holding period. Post-cessation shareholding requirements would apply as described right.

For the purposes of the provisions above, a "good leaver" includes those individuals leaving due to death, disability, injury, ill health, transfer of the employing entity outside of the Group or any other reason at the Committee's discretion.

Malus/clawback provisions would continue to apply as described in the section above.

The Committee reserves the right to make any other payments in connection with a Director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation, (or by way of damages for breach of such an obligation) or by way of a compromise or settlement of any claim arising in connection with the cessation of a Director's office or employment. Any such payments may include but are not limited to paying any fees for outplacement assistance and/or the Director's legal or professional advice fees in connection with his or her cessation of office or employment. Incidental expenses may also be payable where appropriate.

Non-executive Directors have letters of appointment that are terminable on three-months' notice by either party.

### Change of control

In the event of a change of control, Restricted Share awards would vest to the extent determined by the Committee, and normally reduced on a pro-rata basis to take into account the length of the vesting period which has elapsed and the Committee's assessment of the underpin. The Committee may allow Directors to exchange their awards over Company shares for awards in shares of the acquiring company, provided that the terms of the offer allow this.

Any Deferred Share awards will vest in full upon a change of control.

### Shareholding policy

Executive Directors are subject to a shareholding requirements policy, under which they are expected to build up and maintain a minimum shareholding of 350% of salary for the Chief Executive Officer, and 250% of salary for all other Executive Directors. Departing Executive Directors will normally be required to retain shares following the date of cessation of their employment under the Group's post-cessation shareholding guidelines. This policy came into effect on 1 January 2019 and applies to any shares vesting from Company incentive plans following this date. The policy operates as follows:

- The post-cessation shareholding shall be 100% of the shareholding guideline that applied at the date of cessation, or, if lower, the actual holding excluding personal investment
- The holding determined at the date of leaving shall apply for a period of 24 months, on a tapered straight-line basis, reducing to nil over this period
- Shares that are no longer subject to performance conditions, such as Deferred Share awards or vested Restricted Share awards in the holding period, shall count towards the guidelines (on a net of assumed tax basis)
- The Committee shall have the discretion to operate the policy flexibly and may waive part or all of the requirement, for example in compassionate circumstances

Provisions are in place to support the enforcement of this policy using the Company's EBT.

### Chair and Non-executive Director remuneration

The Committee sets the remuneration of the Chair.

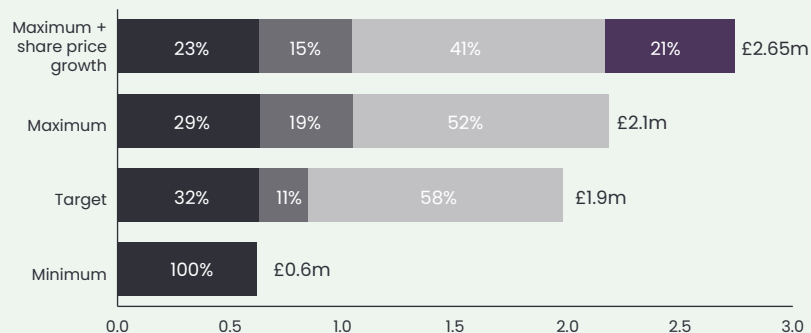
A Committee of the Board comprising the Chair and the Executive Directors sets the remuneration of the Non-executive Directors. Fees will comprise a base fee, with additional fees payable for other duties such as chair of a Committee or for being the Senior Independent Director or the Designated Non-executive Director for workforce engagement. Each Non-executive Director is also entitled to reimbursement of necessary travel, overnight accommodation (if applicable) and other expenses, including a tax gross-up where applicable. Non-executive Directors do not participate in any of the Group's variable incentive schemes and are not eligible to join the Group's pension schemes.

# REMUNERATION POLICY 2025.

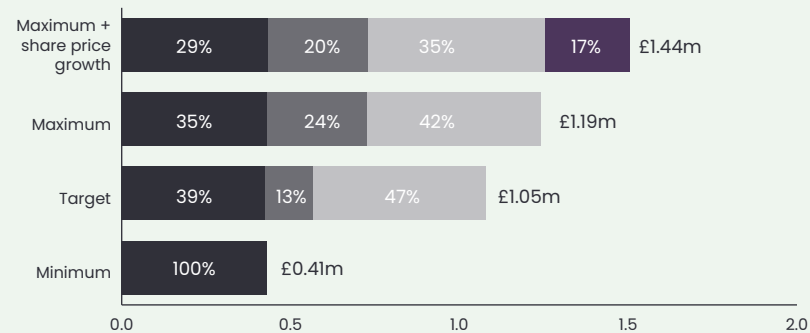
## Illustration of the application of the Policy

Illustrative values and composition of the Executive Directors' remuneration packages for the year ending 31 December 2025 under a range of scenarios are set out in the charts below.

### Chief Executive Officer



### Chief Financial Officer



#### Key

- Fixed remuneration
- Annual variable remuneration
- Long-term variable remuneration
- Share price appreciation

The basis of calculation for the previous graphs and key assumptions used are as follows:

	Minimum	Target	Maximum	Maximum with 50% share price growth
Fixed elements of remuneration	Contracted base salary with effect from 1 April 2025 Estimated cash cost to the Company of benefits and pension contributions received under the Remuneration Policy			
AIS (pay-out as percentage of maximum opportunity)	0%	50%	100%	100%
RSP (vesting as percentage of maximum opportunity)	0%	100%	100%	100% plus 50% share price growth

# REMUNERATION POLICY 2025.

## Development of Remuneration Policy

**Consideration of pay and conditions for the wider Group:** The components of pay across the Group's UK staff are broadly similar. A significant component of long-term incentive for senior employees, primarily those in the investment teams and excluding the Executive Directors, is in the form of the Group's Long-Term Incentive Carry Scheme ("LTICS") or similar historical arrangements.

The Committee considers general pay and employment conditions of all employees within the Group and is sensitive to these, to prevailing market and economic conditions and to governance trends when assessing the level of salaries and remuneration packages of the Executive Directors. From a practical perspective, the Group only has around 70 members of staff and, as a result, the Committee currently has the ability to review remuneration levels and changes thereto across the Group as a whole when considering base salary increases, bonus maxima and award pay-outs for the Executive Directors. The Committee has also been involved in key decisions around remuneration concerning all employees.

**Engagement with our shareholders:** The Committee is committed to an ongoing dialogue with shareholders and seeks to consult with its significant shareholders and the various proxy advisory groups when considering any major changes to remuneration arrangements. As part of the renewal of this Policy, the Group invited feedback from four proxy advisory groups and over 65% of our shareholder register prior to publication. All feedback is used to guide the Committee in its finalisation of the remuneration arrangements and their implementation.

## Differences between the Policy and that applied to employees more generally

The components of remuneration set out in the Policy table for Executive Directors are also available to the Group's employees and, other than as set out below, differ only in award maxima. The benefits package is typically available to all UK members of staff following completion of a probationary period, with a broadly equivalent package being offered to overseas staff unless local market conditions or norms dictate otherwise. All permanent UK staff with over three months service before year end are eligible for an award under the AIS in that year, with similar arrangements for overseas staff.

The key differences between the Policy and that applied to employees generally are:

1. Awards under the RSP are only made to a limited number of the Group's more senior employees; and
2. In common with many of our comparator companies, we operate a Long-Term Incentive Carry Scheme for employees, excluding Executive Directors. Participation in this scheme is by invitation only, with invitations extended to those employees whose roles include a significant direct impact on the development of underlying portfolio companies. The objective of the LTICS is to give employees the equivalent of a "founder's stake" in the portfolio companies that they help to find, create and build, by offering them the opportunity to participate in the eventual returns from the Group's portfolio that are in excess of the original capital invested by the Group and after taking account of an annualised hurdle return. We believe that this will align our employees directly with the long-term returns achieved on the specific assets, and thus maximise the overall returns to our shareholders. No allocations of this kind will be made to Executive or Non-executive Directors

# REMUNERATION POLICY 2025.

## Adherence to Corporate Governance Code principles

When considering the renewal of the Remuneration Policy, its operation for the forthcoming year, and outcomes for 2024, the Committee took into consideration the following principles set out in the 2018 Corporate Governance Code.

<b>Clarity</b>	<ul style="list-style-type: none"> <li>The Company seeks to provide full transparency to shareholders on the operation of the Remuneration Policy, including prospective disclosure of our NAV target range under the AIS</li> <li>The Committee encourages frequent and open dialogue on Executive Director remuneration with shareholders and, during the triennial review process, undertook significant consultation with advisors, shareholders, proxy advisors and other stakeholders to ensure the proposed approach remains optimised</li> </ul>
<b>Simplicity</b>	<ul style="list-style-type: none"> <li>Our ongoing remuneration arrangements for Executive Directors, including the AIS, are simple in nature and well understood by participants and shareholders and other stakeholders, including our employees</li> <li>Our Restricted Share Plan is a simple and effective long-term incentive structure, which directly aligns the interests of the management team and long-term shareholders</li> <li>Incentive arrangements are cascaded down through the Group and provide alignment and overall simplicity in our approach to remuneration. All employees participate in the AIS (with additional components based on team and/or individual objectives for non-Director employees), and the RSP is extended to senior managerial levels and roles which are expected to have a material financial impact on the Group's outcomes</li> <li>The Committee continuously reviews and challenges the Group's wider remuneration arrangements and will continue to do so in order to ensure that this principle continues to be appropriately met</li> </ul>
<b>Risk</b>	<ul style="list-style-type: none"> <li>Under both the AIS and RSP, discretion may be applied where formulaic outturns are not considered reflective of overall business or individual performance or for any other reason considered appropriate by the Committee</li> <li>Deferral of a proportion of AIS awards, our RSP holding periods and our higher than usual minimum shareholding requirement for Executive Directors (which has not yet been met) including a two-year post-cessation shareholding requirement provide a strong link to the ongoing performance of the business and the experience of our shareholders</li> <li>Malus and clawback provisions apply to all AIS and RSP awards, as well as our legacy LTIP awards and the awards made under the LTICS scheme</li> </ul>
<b>Predictability</b>	<ul style="list-style-type: none"> <li>Our Remuneration Policy contains details of the maximum opportunities and pre-determined target ranges under our AIS and RSP, with actual outcomes dependent on performance</li> </ul>
<b>Proportionality</b>	<ul style="list-style-type: none"> <li>We operate a performance-based philosophy with a focus on the long term</li> <li>Our performance measures under the AIS and RSP underpin, including the use of NAV measures in both, are selected based on their alignment to Company strategy and shareholder experience</li> <li>The Committee's ability to apply discretion ensures appropriate outturns in the context of long-term Company performance</li> <li>The focus on the long-term within our remuneration approach, including the delivery of a significant proportion of our incentives in the form of Company shares and the use of a long-term carried interest scheme for non-Director employees, provides significant alignment between employees' and Executive Directors' remuneration outcomes and long-term Company performance</li> </ul>
<b>Alignment to culture</b>	<ul style="list-style-type: none"> <li>All employees are entitled to participate in the pension scheme and the SAYE scheme. Executive Director participation in these schemes is on the same terms as for other employees</li> <li>Strong individual and Company performance is incentivised and recognised through our AIS and, for our more senior employees, the RSP (and previously the LTIP).</li> </ul>

# ANNUAL REMUNERATION STATEMENT.

## STATEMENT OF IMPLEMENTATION OF REMUNERATION POLICY IN 2025

For 2025, the Remuneration Policy will be implemented as set out below.

### Salary

Last year, the average increase for the wider workforce was 6.2% (including both inflation and promotion increases). This reflects our continued investment in this area to ensure that our salary levels remain competitive, reflecting the importance of attracting and retaining a high-quality team as part of our business model.

We reported last year that the Executive Directors would receive salary increases in 2024 of 4.0% each. However, following the publication of that report, and in recognition of prudent cost management in challenging market conditions, it was agreed to hold salaries at the 2023 level and therefore no increase was ultimately applied in 2024.

Given our ongoing focus on both cost and performance in the context of a difficult market, we are also intending to hold salaries at current levels at the 2025 review. As such, the salaries of the Executive Directors will remain at current levels, as shown below:

	2024/25 base salary	2024/25 base salary	Increase %
Greg Smith (CEO)	£546,000	£546,000	0%
David Baynes (CFOO)	£374,400	£374,400	0%

All other employees other than the most junior will also forgo any salary increase in 2025. The overall average increase for the wider workforce is expected to be around 1.4%.

### Retirement and other benefits

Retirement and other benefits will continue to be in line with the levels stated in the Remuneration Policy table. Pension benefits for both Executive Directors will remain aligned with the wider workforce, with employer contributions of up to 10% of salary.

### Annual Incentive Scheme (“AIS”)

The maximum AIS opportunity will remain at 75% of base salary for both Executive Directors, in line with the Remuneration Policy.

As such, 40% of the 2025 AIS will be based upon Group NAV per share growth, which in the view of the Committee represents the most appropriate leading indicator of underlying business performance. The conservative approach to portfolio valuation, set out in more detail on page 102 underpins the Committee’s faith in this measure. This element will be awarded at 25% of the maximum level provided a minimum level of audited NAV per share of 102.6p is achieved by the end of the year, and will be awarded in full if audited NAV per share exceeds 112.4p.

The remaining 60% of the 2025 AIS will be based on other in-year financial metrics, including the level of realisations achieved from the portfolio, access to third-party capital and reducing the discount between NAV per share and our share price. These objectives support long-term, sustainable growth. Targets for these elements of bonus will be disclosed retrospectively in the 2025 Annual Report.

For 2025, there will be no explicit ESG target. This change does not reflect a reduced focus on impact, which remains a key part of our strategy as set out throughout this report. Rather, the change is a reflection of our drive to simplify and focus our business on the primary commercial outcomes, as measured by our other intended AIS objectives.

Targets for all AIS measures are considered by the Committee to be aligned to strategy and appropriately stretching, especially in light of the current economic climate and 2024 performance. However, and in line with the Remuneration Policy, the Committee may adjust any 2025 outcome to take into account overall business or individual performance or any other factors it considers appropriate.

### Restricted Share Plan

The Committee intends to make RSP awards to Executive Directors at the normal level set out in the Remuneration Policy, being 200% of base salary for the CEO and 133%

of base salary for the CFOO. As has been the case for each award, the Committee will carefully monitor both share price and performance in the lead-up to making these awards, and will adjust the final award level if appropriate or necessary to do so.

Vesting of the 2025 awards will take place over a three-year period commencing on 1 April 2025. Any RSP awards that vest will be subject to a further two-year holding period. Vesting will be subject to a financial underpin, such that NAV per share at the end of Financial Year 2027 must be no lower than 100% of NAV per share at the end of Financial Year 2024, after making appropriate adjustments for dividends and any other distributions.

The Committee will also monitor qualitative performance to ensure that Executive Directors are not rewarded where the Committee considers there to have been a failure of performance. This will include a serious breach of regulation, failure to sufficiently progress against ESG or impact objectives, material reputational damage and gross misconduct. In the event of any underpin condition not being met, the Committee will review the number of RSP awards which are due to vest, and may reduce (in full or in part) the number of shares that ultimately vest. In making this determination, the Committee will also take into account the need to avoid windfall gains.

### Chair and Non-executive Directors

With a small Board, the Group relies heavily upon a deep level of commitment from the Chair and all of the Non-executive Directors. The Chair and each Non-executive Director serves on multiple Committees as well as the Board itself.

As described earlier, both the Chair and the Non-executive Directors chose to forgo the fee increases of 4.0% for 2024 which had been published in last year’s report.

For the same reasons there will be no increase in 2025, with our Non-executive Director fee remaining at £57,500, and the Chair fee at £227,000. The additional fee for Committee chair and other senior roles will remain at £10,000. There remains no fee payable for membership of a Board Committee.

# ANNUAL REMUNERATION STATEMENT.

## STATEMENT OF IMPLEMENTATION OF REMUNERATION POLICY IN 2024

### Single figure for total remuneration (audited)

The following table sets out the single figure for total remuneration for Directors for the financial years ended 31 December 2024 and 2023.

All £000s	Base salary/fees <sup>1</sup>		Benefits <sup>2</sup>		Retirement benefits <sup>3</sup>		Total fixed		Annual bonus ("AIS") <sup>4</sup>		Share-based incentives <sup>5</sup>		Total variable		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Greg Smith	546	541	3	3	49	48	599	592	174	103	-	70	174	173	773	765
David Baynes <sup>6</sup>	374	371	8	7 <sup>8</sup>	34	33	417	412	119	70	-	67	119	137	536	549
Sir Douglas Flint	227	218	-	-	-	-	227	218	-	-	-	-	-	-	227	218
Dr Elaine Sullivan <sup>7</sup>	26	55	-	-	-	-	26	55	-	-	-	-	-	-	26	55
Dr Caroline Brown	78	75	-	-	-	-	78	75	-	-	-	-	-	-	78	75
Aedhmar Hynes	78	75	-	21	-	-	78	96	-	-	-	-	-	-	78	96
Heejae Chae	78	66	-	-	-	-	78	66	-	-	-	-	-	-	78	66
Anita Kidgell	58	53	-	-	-	-	58	53	-	-	-	-	-	-	58	53

<sup>1</sup> Base salary/fees represent each Director's contractual entitlement during the financial year in question, noting that the Group's salary year runs from 1 April to 31 March.

<sup>2</sup> Travel costs for Non-executive Directors are reimbursed with any tax due settled directly with HMRC, and a consumable expenses payment of £26 (net) per month is paid to all employees, Executive and Non-executive Directors to cover the additional costs of occasional homeworking.

<sup>3</sup> Retirement benefits include payments made to defined contribution schemes on behalf of the Directors or the value of a cash equivalent, if applicable. The pension available to the Executive Directors is aligned to that available for the employee population.

<sup>4</sup> AIS executive bonus outturn was 42.5% of the maximum for 2024, equating to 31.9% of base salary, with further detail provided in the table on page 93. Consistent with the Remuneration Policy, the first £25,000 will be paid in cash and thereafter 50% will be paid in cash and 50% deferred into shares over two years.

<sup>5</sup> For 2024, the "Share Based Incentives" section contains the combined figure for both the 2021 LTIP award and the 2022 RSP award, both of which lapsed in full. This is because the date of the final quantitative vesting measure for both the 2021 LTIP and the 2022 RSP underpin occurred during the 2024 Financial Year.

<sup>6</sup> David Baynes receives an annual car allowance or equivalent thereof of £12,000. He also participated in our Electric Vehicle salary sacrifice scheme during the year, sacrificing gross salary of £10,368 over the period, and has use of an electric vehicle with a taxable benefit of £998 in 2024. The benefits figure reported for David Baynes includes all of these amounts in aggregate, in addition to the value of his other benefits.

<sup>7</sup> Dr Elaine Sullivan stepped down as a Director on 13 June 2024.

<sup>8</sup> The value shown has been restated from the equivalent figure in last year's report to reflect an update in the calculation.

# ANNUAL REMUNERATION STATEMENT.

## STATEMENT OF IMPLEMENTATION OF REMUNERATION POLICY IN 2024

### Additional disclosures for single figure for total remuneration table

#### Annual Incentive Scheme

The targets for the 2024 AIS for Executive Directors were set in line with the Statement of Implementation for 2024 laid out in the 2023 Directors' Remuneration Report. That is, AIS outcomes for 2024 have been determined based upon the following mix of targets:

- 40% on achievement of the targeted levels for the Group's audited NAV per share
- 25% on the level of realisations generated from the portfolio during the year
- 15% on sourcing managed third-party capital in support of our strategy
- 15% on reducing the discount between share price and NAV per share
- 5% based on ESG metrics aligned to our sustainability strategy

The detailed performance conditions used to calculate initial AIS outturn for 2024 are set out in the table below.

Performance condition (% weighting)	Payment criteria	2024 performance (% of component awarded)	2024 performance (% of component awarded)
<b>Return on NAV (40%)</b>	5% improvement in NAV per share (target 120.5p): 25% of maximum opportunity ("threshold") 15% improvement in NAV per share (target 132.0p): 100% of maximum opportunity	Below minimum target 0% of component awarded	Both NAV and NAV per share reduced across 2024, primarily due to a further fall in the value of the quoted portfolio and a number of discrete (unrealised) value adjustments which reflect our prudent approach to the valuation of individual portfolio companies. (see page 10 for details)
<b>Liquidity as a strategic asset (25%)</b>	£nil to £50.0m (sliding scale)	£194m 100% of component awarded	Good underlying performance throughout the year which would have led to a full payment, further supplemented by c.£119m received in year as a result of the sale of Featurespace. (see page 11 for details)
<b>Access to third-party capital (15%)</b>	Access to new co-investment capital of £45m (25% of maximum opportunity) to £95m (100% of maximum opportunity)	£94.8m 99.7% of component awarded	Continued EIS fundraising through the year, plus the agreement of a further tranche of directly-controlled third-party co-investment capital from our strategic partner, Hostplus. (see page 11 for details)
<b>NAV per share/share price discount (15%)</b>	Reduce the discount between share price and NAV by between 10% (25%) and 40% (100%) between year end 2023 and year end 2024	Below minimum target 0% of component awarded	The discount level widened (albeit marginally) over the measurement period.
<b>ESG Performance (5%)</b>	50% plc performance: Based on continued out-performance of sector benchmarks for Refinitiv, MSCI and ISS. 50% portfolio impact: Based upon making sufficient progress in the agreement, collection and analysis of data relating to specific portfolio company ESG and impact metrics.	100% achievement of plc element; 0% achievement of portfolio impact 50% of component awarded	Outperformance of sector benchmarks for all of Refinitiv, MSCI and ISS. Commercial pressures followed by changes in the team meant a reduced focus on progressing specific portfolio company ESG and impact metrics during the year. Whilst we believe that this was the right decision, it means that insufficient progress was made in this area to allow for the release of an associated AIS payment.
<b>Total weighted outturn</b>		42.5% of maximum (equating to 31.9% of base salary)	

# ANNUAL REMUNERATION STATEMENT.

## STATEMENT OF IMPLEMENTATION OF REMUNERATION POLICY IN 2024

The Committee discussed the output of the quantitative targets as shown on page 93, and considered that this outturn appropriately reflected the broader overall performance of the business over 2024. The Committee particularly noted the impact of a number of external factors on the calculated bonus amount, including the continuation of difficult macroeconomic conditions through the year, but also noted the significant progress in a range of areas expected to underpin shareholder value growth as the Group moves forward, most particularly the exceptional realisations performance in the year and the associated improvement in the financial position of the Group.

As such, the Committee determined that the calculated outcome aligned with a fair assessment of performance over the year, and that no discretionary adjustment to this calculated outcome was therefore required.

The resulting AIS outturn for 2024 for the Executive Directors was, therefore, determined as 42.5% of maximum opportunity. In accordance with the Remuneration Policy, all amounts to individuals above an initial minimum amount paid in cash, which for the 2024 AIS is £25,000, will be paid 50% in cash and 50% in shares (deferred over two years under the Group's Deferred Bonus Share Plan ("DBSP")).

### Share-based incentive schemes

#### 2021 LTIP awards that vested in 2024

As reported in the 2023 Directors' Remuneration Report, the final outstanding LTIP award was awarded in 2021. Vesting was dependent upon a combination of Total Shareholder Return and Growth in NAV over the vesting period, which ran from April 2021 to March 2024. As anticipated in the 2023 report, both measures were below the levels required to trigger vesting.

After the end of the vesting period, the Committee considered whether this outcome was appropriate in the context of performance delivered over the vesting period, and determined that it was a fair and reasonable outcome. As such, the 2021 award lapsed in full on the vesting date.

There are no further unvested LTIP awards, following the switch to RSP awards in 2022.

#### 2022 Restricted Share Plan awards vesting in 2025

The Committee reviewed the vesting of the 2022 Restricted Share Plan ("RSP") award, in the context of the underpins in place for that award. The 2022 RSP award (and all subsequent awards) are subject to a robust underpin with a quantitative trigger. As a result of the significant external market pressures which have impacted business performance over the three-year period and the subsequent reduction in NAV, the underpin condition was not met.

As such, and in line with the terms of the underpin, the Committee actively reviewed the vesting level for the 2022 RSP award, considering quantitative performance measures as well as taking into account a broader review of performance. As part of this review, the Committee noted the actions taken by the management team to assure long-term shareholder value growth, including the significant and sustained level of realisations, strong cash position of the Group, level of cash returned to shareholders and the strong pipeline of future opportunity.

Taking into account the wide range of factors specific to this award, and after careful and balanced consideration, the Committee concluded that none of the 2022 RSP awards would vest, and they will therefore lapse in full.

#### 2024 Restricted Share Plan Awards

Details of the RSP awards granted during 2024 to each Executive Director are set out in the table below:

Executive Director	Type of interest	Basis of award (% salary)	Face value (000s)	End of vesting period
Greg Smith	2024 RSP	200%	£1,092	31 Mar 2027
David Baynes	2024 RSP	133%	£498	31 Mar 2027

The Committee continues to believe that the maximum award permitted under the Policy (being 200% of salary for the CEO, 133% of salary for other Executive Directors) is set at an appropriate and reasonable level. It also recognises the responsibility to make individual awards in a prudent and responsible way, only utilising the maxima agreed under the Policy when it is confident that such awards are appropriate and in the best interests of shareholders. The Committee believes that this condition held in 2024.

# ANNUAL REMUNERATION STATEMENT.

## STATEMENT OF IMPLEMENTATION OF REMUNERATION POLICY IN 2024

### Change in remuneration of the Directors compared to Group employees

The table below sets out the change in the remuneration of the Directors and that of our UK employees (excluding Directors and new joiners/leavers):

	% Change in base salary					% Change in bonus					% Change in benefits (excluding pensions)				
	2023 to 2024	2022 to 2023	2021 to 2022	2020 to 2021	2019 to 2020	2023 to 2024	2022 to 2023	2021 to 2022	2020 to 2021	2019 to 2020	2023 to 2024	2022 to 2023	2021 to 2022	2020 to 2021	2019 to 2020
Greg Smith	0.9%	3.0%	48.4%	20.8%	5.9%	69.3%	(14.2)%	(65.0)%	23.5%	254.1%	8.2%	(11.7)%	(2.3)%	4.2%	5.1%
David Baynes	0.8%	3.0%	17.4%	7.7%	2.0%	69.3%	(14.6)%	(72.3)%	11.2%	241.0%	6.8%	33.2%	(14.1)%	17.6%	5.2%
Sir Douglas Flint	4.1%	15.5%	4.2%	2.0%	2.2%		-	-	-	-		-	-	-	-
Dr Elaine Sullivan	(52.7)%	13.7%	4.6%	2.2%	1.8%		-	-	-	-		-	-	-	-
Dr Caroline Brown	4.0%	13.9%	17.1%	1.8%	1.8%		-	-	-	-		-	-	-	-
Aedhmar Hynes	4.0%	9.7%	19.6%	19.8%	1.8%		-	-	-	-	(100)%	(26.9)%	142.0%	-	-
Heejae Chae	18.1%	13.1%	3.8%	1.8%	1.8%		-	-	-	-		-	-	-	-
Anita Kidgell	9.4%	-	-	-	-		-	-	-	-		-	-	-	-
UK employees	7.8%	7.3%	10.4%	5.9%	8.0%	4.3%	6.5%	(39.1)%	59.3%	78.7%	9.7%	5.6%	11.9%	7.9%	4.7%

### Historical Executive pay and Group performance

The table and graph set out on this page enable a comparison of the TSR of the Group and the Chief Executive Officer remuneration outcomes over the last ten years.

The chart shows the Company's TSR performance against the performance of the FTSE 250 index over the ten-year period to 31 December 2024. Taking into account IP Group's business model, there is no directly relevant FTSE sector index. The Directors have therefore selected the FTSE 250 as relevant equity index for comparison on the basis that it is the FTSE equity market index of which IP Group is a constituent.



# ANNUAL REMUNERATION STATEMENT.

## STATEMENT OF IMPLEMENTATION OF REMUNERATION POLICY IN 2024

### Historical Chief Executive Officer remuneration outcomes

The table below summarises the Chief Executive Officer single figure for total remuneration, annual bonus pay-out and share based incentives (LTIP and RSP) vesting as a percentage of maximum opportunity for the previous ten-year period:

Chief Executive Officer	2015	2016	2017	2018	2019	2020	2021 <sup>1</sup>	2022	2023	2024
CEO single figure of remuneration (£000s)	669	265	552	413	498	797	730	958	765	<b>773</b>
Annual bonus pay-out (% of maximum)	100%	0%	57%	17%	28%	93%	96.3%	30.4%	25.1%	<b>42.5%</b>
Share-based incentives vesting (% of maximum)	57%	0%	0%	0%	0%	0%	0%	51.1%	13.7%	<b>0%</b>

<sup>1</sup> 2021 and years thereafter relate to Greg Smith, who was appointed as CEO on 7 October 2021 (previously CFO). Previous years reported relate to Alan Aubrey.

### Directors' shareholdings and share interests

The Group's Remuneration Policy determines a minimum shareholding requirement of 350% of salary for the Chief Executive Officer and 250% of salary for other Executive Directors including the CFOO.

At the end of the year, neither Greg Smith nor David Baynes met this requirement. Both Executive Directors are ordinarily, at a minimum, expected to retain all post-tax shares received under the RSP, LTIP and DBSP to ensure that minimum levels are met and maintained, in line with the Policy.

### Interests in shares (audited)

The Directors who held office during 2024 had the following beneficial interests in the ordinary shares of the Company:

At 31 December 2024	Total interest in shares			Minimum shareholding requirement met? <sup>1</sup>	Total unvested holdings		
	Shares owned Number	Shares which have fully vested but have not yet been issued	Total interest		LTIP	DBSP	RSP
<b>Current Directors</b>							
Greg Smith	752,686	122,329	<b>875,014</b>	No	0	121,201	5,158,368
David Baynes	673,887	117,797	<b>791,684</b>	No	0	71,628	2,400,201
Dr Elaine Sullivan <sup>2</sup>	-	-	-	-	-	-	-
Sir Douglas Flint	94,500	-	<b>94,500</b>	-	-	-	-
Heejae Chae	32,712	-	<b>32,712</b>	-	-	-	-
Dr Caroline Brown	-	-	-	-	-	-	-
Aedhmar Hynes	21,000	-	<b>21,000</b>	-	-	-	-
Anita Kidgell	-	-	-	-	-	-	-

<sup>1</sup> Based on owned/vested shares only.

<sup>2</sup> At the date of stepping down from the Board

There have been no changes in the interests of the Directors set out above between 31 December 2024 and 25 March 2025.

# ANNUAL REMUNERATION STATEMENT.

## STATEMENT OF IMPLEMENTATION OF REMUNERATION POLICY IN 2024

### Share-based incentive plan awards (audited)

The Executive Directors' participations in the Group's Long-Term Incentive Plan ("LTIP") and Restricted Share Plan ("RSP") are set out in the table below:

	Number of shares conditionally held at 1 January 2024	Conditional shares notionally awarded in the year	Vested during the year <sup>1</sup>	Lapsed during the year	Potential conditional interest in shares at 31 December 2024	Share price at date of conditional award (p)	Earliest vesting date(s)
<b>Greg Smith</b>							
2021 LTIP	483,253	–	–	483,253	–	125.40	31-Mar-24
2022 RSP <sup>2</sup>	1,043,046	–	–	–	<b>1,043,046</b>	75.50	31-Mar-25
2023 RSP	1,813,953	–	–	–	<b>1,813,953</b>	60.20	31-Mar-26
2024 RSP	–	2,301,369	–	–	<b>2,301,369</b>	47.45	31-Mar-27
	<b>3,340,252</b>	<b>2,301,369</b>	–	<b>483,253</b>	<b>5,158,368</b>		
<b>David Baynes</b>							
2021 LTIP	465,709	–	–	465,709	–	125.40	31-Mar-24
2022 RSP <sup>2</sup>	476,809	–	–	–	<b>476,809</b>	75.50	31-Mar-25
2023 RSP	829,215	–	–	–	<b>829,215</b>	60.20	31-Mar-26
2024 RSP	–	1,052,028	–	–	<b>1,052,028</b>	47.45	31-Mar-27
	<b>1,771,733</b>	<b>1,052,028</b>	–	<b>465,709</b>	<b>2,358,052</b>		

<sup>1</sup> All share-based incentives which vest during a given year will be subject to a further holding period of two years, with shares not being issued to participants until the end of the holding period. The actual number of shares to be issued at the end of the holding period will be adjusted in aggregate to account for any dividends paid during the vesting and holding period.

<sup>2</sup> The 2022 RSP grant, shown in full in the table (as at 31 December 2024) will lapse in full as set out on page 94

# ANNUAL REMUNERATION STATEMENT.

## STATEMENT OF IMPLEMENTATION OF REMUNERATION POLICY IN 2024

### Deferred Bonus Share Plan (“DBSP”) (audited)

Directors’ interests in nil-cost options under the Group’s DBSP that have been granted in order to defer AIS bonuses in accordance with our Policy are as follows:

	Options held at 1 January 2024	Option awarded in the year	Exercised during the year <sup>1</sup>	Lapsed during the year	Options held at 31 December 2024	Share price at date of award (p)	Earliest vesting dates
<b>Greg Smith</b>							
Deferral from 2021 AIS	88,100	–	88,100	–	–	90.00	31-Mar-24
Deferral from 2022 AIS	39,327	–	39,327	–	–	60.20	31-Mar-24
Deferral from 2022 AIS	39,327	–	–	–	39,237	60.20	31-Mar-25
Deferral from 2023 AIS	–	40,982	–	–	40,982	47.45	31-Mar-25
Deferral from 2023 AIS	–	40,982	–	–	40,982	47.45	31-Mar-26
	<b>166,754</b>	<b>81,964</b>	<b>127,427</b>	<b>–</b>	<b>121,201</b>		
<b>David Baynes</b>							
Deferral from 2021 AIS	75,451	–	75,451	–	–	90.00	31-Mar-24
Deferral from 2022 AIS	23,704	–	23,704	–	–	60.20	31-Mar-24
Deferral from 2022 AIS	23,704	–	–	–	23,704	60.20	31-Mar-25
Deferral from 2023 AIS	–	23,962	–	–	23,962	47.45	31-Mar-25
Deferral from 2023 AIS	–	23,962	–	–	23,962	47.45	31-Mar-26
	<b>122,859</b>	<b>47,924</b>	<b>99,155</b>	<b>–</b>	<b>71,628</b>		

<sup>3</sup> Actual number of options released for exercise is adjusted where relevant to reflect the adjustment made to account for dividend payments made during the holding period.

### Save As You Earn (“SAYE”) (audited)

The Group operates an HMRC-registered SAYE share save scheme for all UK employees in which both Executive Directors have participated during the year:

	Options held at 1 January 2024	Options awarded in the year	Exercised during the year	Lapsed during the year	Options held at 31 December 2024	Option exercise price (p)	Share price at date of award (p)	Earliest vesting date(s)
<b>Greg Smith</b>								
2023 SAYE	39,586	–	–	–	<b>39,586</b>	46.86	58.56	01-Nov-26
<b>David Baynes</b>								
2022 SAYE	27,692	–	–	–	<b>27,692</b>	65.0	81.25	01-Nov-25

# ANNUAL REMUNERATION STATEMENT.

## STATEMENT OF IMPLEMENTATION OF REMUNERATION POLICY IN 2024

### Relative importance of spend on pay

The table below shows total employee costs, change in shareholder distributions, change in NAV and change in share price from 2023 to 2024.

	2024	2023	% change
Total employee costs (£m)	19	19	0%
Distributions to shareholders (dividend or share buyback, £m)	29.6	13.1	126%
NAV (£m)	956.5	1,182.5	(19.1%)
Share price (p)	53.9	58.1	(7.23%)

The information shown in this chart is based on the following:

Total employee pay: total employee costs from note 9 including wages and salaries, social security costs, pension and share-based payments.

Change in NAV: change in the Group's net assets excluding goodwill and intangibles taken from the statement of financial position on page 118.

### External appointments for Executive Directors

Any proposed external directorships are considered by the Board to ensure they do not cause a conflict of interest but, subject to this, Executive Directors may accept a maximum of two external Non-executive appointments and, indeed, the Board believes that it is part of their ongoing development to do so. Where an Executive Director accepts an appointment to the board of a company in which the Group is a shareholder, the Group generally retains the related fees. In the circumstances where the Executive Director receives such fees directly, such sums are generally deducted from their base salary from the Group. Fees earned for directorships of companies in which the Group does not have a shareholding are normally retained by the relevant Director. Key external appointments (excluding companies in which the Group holds shares) held by Executive Directors are set out on pages 61 to 63.

### Limits on the number of shares used to satisfy share awards (dilution limits)

All of the Group's incentive schemes that contain an element that may be satisfied in IP Group shares incorporate provisions that in any ten-year period (ending on the relevant date of grant), the maximum number of the shares that may be issued or issuable under all such schemes shall (i) not exceed 10% of the issued ordinary share capital of the Company; and (ii) such shares issued on a discretionary basis shall not exceed 5% of the issued ordinary share capital of the Company.

The Committee regularly monitors the position and, prior to the making of any share-based award, considers the effect of potential vesting of outstanding awards to ensure that the Company remains within these limits. Any awards which are required

to be satisfied by market-purchased shares are excluded from such calculations, but any shares utilised from treasury to settle share-based awards are included. The table below sets out the current level of dilution against the limits in the bonus and long-term incentive plan and sets out the commitments to issue shares made during the financial year reported.

Maximum	Current dilution	Additional dilution during the year in question
10% dilution in ten years	3.48%	0.88%
5% dilution in ten years	2.46%	0.66%

### Service agreements

The Executive Directors have service contracts that commenced on the dates set out below and contain a contractual notice period of six months by either party. The Non-executive Directors have letters of appointment that commenced on the dates set out below, are generally for an initial fixed term of three years, which is reviewed and may be extended for two further three-year periods and are terminable on three months' notice by either party.

The letters of appointment and service contracts are available for inspection at the Company's registered office. In accordance with the Code, all Directors submit themselves for annual re-election by shareholders at each AGM and will do so at the AGM to be held on 12 June 2025.

<b>Greg Smith</b>	7 October 2021
<b>David Baynes</b>	7 October 2021
<b>Heejae Chae</b>	3 May 2018
<b>Sir Douglas Flint</b>	17 September 2018 (effective as Chair from November 2018)
<b>Dr Caroline Brown</b>	1 July 2019
<b>Aedhmar Hynes</b>	1 August 2019
<b>Anita Kidgell</b>	18 January 2023

# ANNUAL REMUNERATION STATEMENT.

## STATEMENT OF IMPLEMENTATION OF REMUNERATION POLICY IN 2024

### External advisors

The Remuneration Committee is authorised, if it wishes, to seek independent specialist services to provide information and advice on remuneration at the Company's expense, including attendance at Committee meetings.

During the early part of 2024, the Remuneration Committee received independent advice from Deloitte LLP in respect of the application of the Group's Remuneration Policy, and reporting under the Directors' Remuneration Reporting Regulations. Fees paid to Deloitte LLP in connection with advice to the Committee during 2024 were £8,000 (excluding VAT), based on time spent. In April 2024, and following a formal tender process, A&M were appointed as independent advisors to the Remuneration Committee. A&M provided advice in respect of the review of the Remuneration Policy and its implementation. Fees paid to A&M in connection with advice to the Committee during 2024 were £68,000 (excluding VAT), based on time spent. A&M does not provide any other services to IP Group.

Both Deloitte LLP and A&M are members of the Remuneration Consultants Group and adhere to its Code in relation to Executive remuneration consulting in the UK. In both cases, the lead engagement partner has no other connection with the Company or individual Directors, and the Committee is satisfied that advice provided was objective and independent.

### Statement of shareholder voting

The table below sets out the proxy results of the votes on resolutions in respect of Directors' remuneration at the 2022 AGM and the 2024 AGM.

	Votes for		Votes against		Total votes cast	Votes withheld
	Number	% of votes cast	Number	% of votes cast		
Remuneration Policy (2022 AGM)	654,265,665	80.67%	156,765,453	19.33%	820,514,461	9,483,343
Remuneration Report (2024 AGM)	599,931,114	82.62%	126,245,461	17.38%	726,176,583	250,575

The Remuneration Committee was pleased with the level of support for the Remuneration Report at the 2024 AGM, and looks forward to building upon this with the renewal of the Remuneration Policy at the 2025 meeting.

### Remuneration disclosure

This report complies with the requirements of the Large and Medium-sized Companies and Groups Regulations 2008 as amended in 2013, the provisions of the UK Corporate Governance Code and the Listing Rules.

On behalf of the Board

### Heejae Chae

Chair of the Remuneration Committee

25 March 2025

# AUDIT AND RISK COMMITTEE REPORT.



**Dr Caroline Brown**

Chair of the Audit and Risk Committee

## Committee membership

The Audit and Risk Committee currently comprises the following independent Non-executive Directors whose backgrounds and experience are summarised on pages 61 to 63:

- Dr Caroline Brown (Chair)
- Aedhmar Hynes
- Dr Elaine Sullivan (retired June 2024)
- Heejae Chae
- Anita Kidgell

## Report contents

- Principal responsibilities
- Key activities in the year
- Procedural and governance matters
- Key accounting judgements and other priority items reviewed by the Committee

## Principal responsibilities

The duties of the Audit & Risk Committee are set out in its Terms of Reference, which are available on the Company's website. The principal duties of the Committee are to:

- Monitor the integrity of the financial statements of the Group including its Annual and Half-yearly Reports, and other formal announcements relating to its financial performance with consideration being given to any significant financial reporting judgements contained therein
- Review and report to the Board on significant financial reporting issues and judgements contained in the financial statements
- Advise the Board on whether it believes the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy
- Review and monitor the Group's risk management system and carry out a review of its effectiveness and approve the statements included in the Annual Report concerning risk management
- Ensure that a robust assessment of the principal risks facing the Group has been undertaken
- Assess the Group's ongoing viability and going concern status
- Recommend the appointment and remuneration of the external auditor, assess audit effectiveness and monitor provision of non-audit services
- Assess the content of the external auditor's independence report in providing both audit and non-audit services
- Review the remit, planned scope of activities, performance and effectiveness of outsourced internal audit support
- Monitor the Group's systems and controls for the prevention of bribery and fraud
- Review the adequacy and security of the Group's arrangements for its employees to speak up and raise concerns

## Key activities in the year

The key areas of focus for the Committee in 2024 and early 2025 included:

- Consideration of key areas of accounting judgement, including: (i) valuation of unquoted investments at half-year and year-end reporting; and (ii) IFRS 10 treatment of the US platform and Istesso Limited
- Oversight of the transfer of KPMG audit partner responsibility during the year, following the outcome of the audit tender process conducted in 2023
- Review of management plans on the implementation of the 2024 UK Corporate Governance Code including Provision 29 requirements
- Review the results of an internal audit review in respect of the operating effectiveness of key controls over operational risks and continued monitoring of the implementation of agreed improvements from this and earlier reviews

## Procedural and governance matters

- The Group's Chief Financial & Operating Officer, Company Secretary, Finance Director and the external auditor are invited to attend each Committee meeting, at which they present reports and provide analysis on key areas of significance to the Committee in relation to audit and risk matters
- At the request of the Committee, the Group's Chair and CEO also attended each Committee meeting
- Meetings cover regular agenda items on audit, risk and internal controls, compliance and policies. Additional matters are considered as required and other members of management are invited to attend for specific subjects where required

# AUDIT AND RISK COMMITTEE REPORT.

- In preparation for each Committee meeting, I meet privately with management and the external auditor, and where relevant with representatives of the internal audit team
- At the end of the annual audit process and at several points throughout the year the Committee meets with the external auditor without any members of the executive management team being present
- As part of the annual evaluation of risk management and internal controls the Committee as a whole also met with the Head of the outsourced internal audit resource without management being present
- I continued to attend meetings of the Group's Valuation Committee as a member, alongside my fellow Non-executive Director, Heejae Chae. Attendance at these meetings provides both an element of independence to the Valuation Committee and provides a detailed understanding of portfolio valuation considerations
- The Committee met seven times in 2024 and twice in 2025 ahead of the release of the FY24 annual report and accounts
- The Committee assessed its performance in 2024 through an internally facilitated process led by the Chair, supported by the Company Secretary. Such process concluded that the Committee had continued to perform effectively during 2024
- The Committee undertook an evaluation of the external auditor's performance in 2023, which included input from the Finance Director, CFOO and wider finance team. Through this process minor areas for improvement were identified and agreed with the auditor, who was deemed to have met the Committee's expectation in the year
- In 2024, the Group re-evaluated its internal audit strategy having considered the Group's evolving needs and risk profile and made the strategic decision to transition from a fully outsourced internal audit function to a more flexible approach which allows the Group to utilise internal audit resources from PwC on an as-needed basis
- The Committee undertook an assessment of the outsourced internal audit resource utilised in 2024, which included input from the individual members of the Group's Risk Council, Non-executive Directors and all those members of management who had interacted with the outsourced internal audit team in the year. The assessment considered the outsourced internal audit team's understanding of the Group's business risks, their subject matter expertise, professionalism and effectiveness in improving the Group's operations via recommendations that are appropriate for the size, nature and scale of the business. The Committee concluded that they were satisfied with the expertise provided by PwC in the year and welcome the move to a more focused and strategic use of internal audit resource going forward
- The Committee continues to review its terms of reference at least annually and will propose updates where necessary or appropriate to reflect current market practice

In relation to governance considerations:

- The Committee comprises four independent Non-executive Directors following the retirement of Dr Elaine Sullivan in June 2024. All members are considered to be appropriately experienced to fulfil their role and allow the Committee to perform its duties effectively (see the Board skills matrix on page 60 for further details of members skills focus)
- I am deemed by the Board to have recent and relevant financial experience, being a Fellow of the Chartered Institute of Management Accountants, having held senior executive financial positions and current Audit and Risk Committee experience
- The Board is satisfied that for the year under review, and thereafter, the Group's Audit and Risk Committee, as a whole, has competence relevant to the sector in which the Group operates

## Key accounting judgements

### Valuation of unquoted equity and debt investments:

The valuation of unquoted investments remains the most material area of judgement in the financial statements and is a key audit risk for the Group. At each external reporting date the Committee receives updates from the Valuation Committee and from the external auditor regarding the approach that has been taken in assessing and auditing, respectively, the key estimates and judgements in respect of portfolio valuations. Significant time at Committee meetings is assigned to discuss portfolio valuations, which has allowed the Committee to debate and challenge the approach taken. The Group continued to apply its valuation policy consistently across investments at the year end, which included consideration of the macro environment and relevant industry metrics such as revenue multiples where relevant.

As in previous years, the Committee has paid significant attention to the valuation of the Group's holdings in unquoted investments, which have not completed a funding round within the last twelve months, assets which have seen significant positive or negative developments in the year, companies which require funding in the next twelve months, and assets with active financings or sale processes on or after the measurement date. We continue to make use of third-party valuations specialists, with external valuation reports being commissioned on six of our larger investments in 2024 (2023: eleven). This increases the independence of our process and helps to ensure that our valuation approach continues to reflect market best practice.

The Valuation Committee assists in the application and documentation of management's valuation judgements in line with the Group's accounting policies and industry valuation guidance from IPEV (International Private Equity and Venture Capital). The Valuation Committee is chaired by the CFOO, and its members are the CEO, Heejae Chae and me. Also in attendance was the Managing Partner of the Balance Sheet

# AUDIT AND RISK COMMITTEE REPORT.

## The Valuation Committee

Members		
Chief Financial and Operating Officer <b>David Baynes</b> (Chair)	Chief Executive Officer <b>Greg Smith</b>	
Non-executive Director and ARC Chair <b>Dr Caroline Brown</b>	Non-executive Director <b>Heejae Chae</b>	
Attendees		
Managing Partner of Balance Sheet Investments <b>Mark Reilly</b> Other investment team members by invitation		
Finance Director <b>Chris Glasson</b>		
<b>Valuation Committee recommends reporting date valuations to the Audit and Risk Committee</b>		
<b>Valuation Committee review and challenge of the recommendations, request further reviews or third-party support be utilised</b>		
<b>Valuation assessments and recommendations shared with Committee, including relevant supporting evidence</b>		
<b>Group finance team prepare valuations with input from:</b>		
Investment Directors	External valuation specialists	Market data sources

Jatin Patel, External Audit Partner attends the Committee by invitation

investments, Finance Director and external auditor, with other investment team members joining meetings on request. During the year, the Committee considered the Valuation Committee's terms of reference and composition and concluded that it was satisfied with the current level of scrutiny and challenge by the ARC at the Valuation Committee.

The Valuation Committee met seven times in 2024 and twice in early 2025 to review management's valuations for the half-year and full-year results reporting. The Committee's 2025 meeting included review of the proposed Annual Report disclosures, including the approach to valuation sensitivity disclosures. See further details in note 13.

### Application of the consolidation requirements of IFRS 10 in respect of IPG Cayman LP and Istesso Limited

The Group's US portfolio is held via a limited partnership fund, IPG Cayman LP, and is managed by Longview Innovations, formerly an operating subsidiary of the Group. Following a reorganisation which took place in 2021, the Group was no longer deemed to control IPG Cayman LP, which was accordingly deconsolidated in 2021.

In respect of Istesso Limited, although the Group has a 56.5% undiluted economic interest in the company, the Group holds a significant proportion of its equity via non-voting shares resulting in it holding less than 50% of the voting rights at the company. Additionally, the Group does not control the board of Istesso Limited via a majority of board directors and has no mechanism whereby it can do so. As a result the Group is deemed not to control Istesso and therefore its results are not consolidated with those of the Group.

The Committee reviewed and discussed management's detailed assessment, including changes in the year, and concluded that the Group does not control IPG Cayman LP and Istesso Limited at its meetings in July 2024 and February 2025 and agreed that this judgment continued to be appropriate for both the Group's half-yearly and Annual Report and Accounts.

### Review of Annual Report and Accounts and Half-yearly Report

The Committee carried out a thorough review of the Group's Annual Report and Accounts and its Half-yearly Report for 2024 resulting in the recommendation of both for approval by the Board. In carrying out its review, the Committee gave particular consideration to whether the Annual Report, taken as a whole, was fair, balanced and understandable, concluding that it was. It did this primarily through consideration of the reporting of the Group's performance, business model and strategy, the competitive landscape in which it operates, the significant risks it faces, the progress made against its strategic objectives and by its portfolio companies during the year.

In addition to the significant accounting judgments and estimates noted above, the committee also considered revenue recognition, segmental reporting, long-term viability and going concern disclosures and the use of Alternative Performance Measures ("APMs"). The committee also reviewed a summary of controls reliance gained in the year and related internal control disclosures made within the Corporate Governance Report.

### Going concern and long-term viability review

On an annual basis the Committee reviews and approves the long-term viability review prepared by management and satisfies itself that the Group remains a going concern for a period of at least 12 months from the publication date of the accounts, and that therefore the going concern basis for the preparation of the Group's results remains appropriate.

The Committee reviewed a management assessment of the Group's long-term viability. The long-term viability review was based on the Group's three-year strategic plan, including forecast levels of investment, realisations, overheads, financing cash flows and shareholder returns. Management conducted scenario analysis under both intermediate and severe downside scenarios, and back-testing to assess the Group's ability to continue operating within the cash trap and covenant limits of its debt facility. The Committee agreed to recommend the Viability Statement, which is set out on page 49, to the Board for approval.

# AUDIT AND RISK COMMITTEE REPORT.

## Risk and internal controls

The key elements of the Group's internal control framework and procedures are set out on pages 38 and 39. The principal risks the Group faces are set out on pages 40 to 48. During the year, the Committee devoted part of each meeting to items concerning risk and risk management.

An important element of the Group's risk management framework is the Risk Council whose purpose is to co-ordinate governance, risk and controls internally prior to reporting to the Committee and Board. Its permanent members are the CFOO, Company Secretary, Finance Director and Senior Compliance and Risk Manager, with other executives and management from across the business attending during the year as necessary. The Risk Council met four times during the year and reported to the Committee at each meeting.

The Committee reviewed management's progress on developing an implementation plan for the Provision 29 requirements included in the revised 2024 UK Corporate Governance Code which will apply to financial years beginning on or after 1 January 2026. This included workshop sessions facilitated by PwC to agree a controls governance framework and identification of a subset of the Group's risks which would be considered to be material.

During 2024, the Committee reviewed management's updated assessment of strategic and principal risks and risk appetite statements, prepared using input from the Risk Council, and took part in a risk workshop to assess the Group's principal risks, risk appetite and desired control investment. The Committee reviewed output from the Risk Council summarising key themes arising from the operational risk reviews and the Group's updated strategic and principal risk profiles. The Committee also carried out a horizon scanning exercise to identify potential emerging risks.

The Committee reviewed the output of an internal audit review which tested the key controls in place to mitigate the Group's principal risks. This review included all key financial, operational and compliance controls. PwC, on behalf of management, assessed the control design and operating effectiveness of these key controls over

principal risks, using the COSO framework principles. No significant failings or weaknesses were identified. However, a number of minor control deficiencies were identified and recommendations for improvement were agreed with management. Implementation of the remedial actions is monitored by the Risk Council and reported to the Committee.

The Committee's review of risk management systems in place includes an assessment of performance of the Risk Council against agreed objectives and monitoring of key risk indicators against pre-agreed thresholds determined in response to the Board's annual assessment of the Group's principal risks and risk appetite.

## Cyber security

The Board continues to consider cyber threats as a principal risk to the business with an overall "high" risk rating. During the year the Committee has been provided with regular updates on the cyber and information security in place across the Group, including the status of remediation actions agreed in respect of an internal audit review in 2023. The committee were also provided with summary output from an externally facilitated scenario-based training session which simulated a serious cyber incident with the Group's "Silver Response Team" chaired by the CFOO. The Group continued to deploy regular interactive cyber threat refresher sessions and a compulsory annual training session whose completion was monitored by the Risk Council.

## Compliance

Ensuring compliance for regulated businesses remains a priority from the perspective of the Committee and regular updates are provided to the Committee by the Group's subsidiary compliance officers and international equivalents. Ongoing internal reviews are conducted through the use of a compliance monitoring programme and specialist advisory firms including local advisors are employed to advise on areas of regulation relevant to the Group's operations where required.

The Committee reviewed the summary findings of procedures in place which review the nature of gifts and hospitality received and provided in the year to

identify any instances of corruption and bribery, and management carried out an enhanced fraud risk assessment and determined that there was a low risk of fraud occurring undetected.

## Internal audit

The Group re-evaluated its fully outsourced internal audit model in the year and concluded that going forward the Group would continue to access PwC's expertise for specific projects and reviews on an as-needed basis only and therefore would no longer maintain an outsourced internal audit function. The decision followed a review of the Group's needs and risk profile and a strategic decision was made to enhance efficiency and focus on critical areas of internal control by engaging the PwC internal audit team for specific projects ensuring targeted and relevant assurance is obtained. The Committee considered the reduced level of independent assurance this change would cause and were satisfied with plans for the external internal audit resource to be used for directed assurance around specific, material internal controls. The Committee will continue to monitor and assess the effectiveness of internal controls through targeted reviews and audits ensuring that key risks are adequately managed.

In 2024, the internal audit resource provided by PwC was focused on delivering a control review in which Internal Audit carried out testing of the design and operating effectiveness of the Group's key controls over principal risks and advising on the forthcoming Provision 29 requirements of the new UK Corporate Governance Code. The Committee values the work of the internal auditor in providing independent and objective assurance in meeting its corporate governance and regulatory responsibilities.

The Committee considered the effectiveness of the internal audit resource utilised by reviewing the outcomes of their reports and recommendations, management's implementation of recommendations and closure of the audit, access to experts, the annual strategy document and a management assessment of quality in the year. The Committee concluded that they were satisfied with the expertise provided by PwC in the year and welcome the move to a more focused and strategic use of internal audit resources going forward.

# AUDIT AND RISK COMMITTEE REPORT.

## External audit

### Audit tender outcome

As detailed in the 2023 Annual Report, following a rigorous formal audit tender process through 2023, the Board recommended to shareholders the re-appointment of KPMG LLP as the Group's external auditor at the 2024 AGM, and this recommendation was duly approved. The transition to Jatin Patel, the incoming audit partner at KPMG has now taken place.

### Audit planning

The Committee discussed the auditor's plan for the 2024 year end audit at its July and December meetings. This included a summary of the proposed audit scope and the auditor's assessment of the most significant financial reporting risks facing the Group, together with the auditor's proposed audit approach. The main areas of audit focus for the year remained unchanged and included the valuation of the Group's unquoted investments and the recoverability of investments on the parent company balance sheet.

As in previous years a number of the Group's smaller subsidiaries will be audited by Moore Northern Home Counties Limited.

### Appointment and independence

The Committee advises the Board on the appointment of the external auditor and on its remuneration both for audit and non-audit work and discusses the nature, scope and results of the audit with the external auditor. The Committee keeps under review the independence and objectivity of the external auditor. Controls in place include monitoring the independence and effectiveness of the audit, implementing a policy on the engagement of the external auditor to supply non-audit services, and a review of the scope of the audit and fee and performance of the external auditor.

Mandatory audit firm rotation is required after 20 years, and a re-tender must be conducted at least every ten years. The Code requires disclosure of the length of tenure of the current audit firm and when a tender was last conducted, as well as advance notice of any re-tendering plans. KPMG LLP have acted as the auditor

to the Group since 2014, with a tender taking place in 2023 which resulted in the reappointment of KPMG LLP. The lead audit partner rotates every five years to assure independence. Jatin Patel became lead audit partner responsible for the Group's statutory audit for the 2024 year end onwards following the outcome of the tender exercise noted above.

### Non-audit work

The Group has a policy for setting out what non-audit services can be procured by the Group from the external auditor. The policy aims to support and safeguard the objectivity and independence of the external auditor and incorporates the requirements of the FRC's revised Ethical Standards for auditors.

A copy of the Group's non-audit services policy is available at [www.ipgroupplc.com/investors/corporate-governance](http://www.ipgroupplc.com/investors/corporate-governance).

An analysis of audit and non-audit fees paid to KPMG is provided in note 6 to the financial statements. In 2024, the only non-audit service provided by KPMG in the year was the review of the Group's half-yearly results.

The Committee typically engages other firms to perform finance-related consulting engagements to ensure that the independence of the auditor is not compromised and during 2024 engaged the services of PwC (internal audit, risk and governance), Deloitte (valuations) and Kroll (valuations).

### Auditor independence

KPMG has reviewed its own independence in line with the FRC's Ethical Standards for auditors and its own ethical guideline standards. KPMG has confirmed to the Committee that following its review it is satisfied that it has acted in accordance with relevant regulatory and professional requirements. KPMG has provided the Committee with details of the safeguards in place which include a culture of regular training, internal accountability and independent reviews performed by an engagement quality control reviewer, who is a partner not otherwise involved in the Group's audit, and an annual attestation from all KPMG partners and staff to confirm their compliance with internal ethics and independence policies and procedures, including in particular that the

audit team have no prohibited shareholdings which include IP Group plc and portfolio company shares. Having considered the aforementioned safeguards, the level of non-audit services provided in the year and a formal statement of independence, the Audit and Risk Committee is satisfied that the independence of the auditor has been maintained.

### Auditor effectiveness

In order to assess the effectiveness of the external audit process, the Committee requested that management provide feedback on the outcome of the 2023 audit process, considering areas including planning effectiveness, audit quality and audit efficiency. The Committee concurred with management's view that there had been appropriate focus and challenge of the primary areas of audit risk and the Committee concluded that the substantive and detailed approach taken by the auditor was entirely appropriate and effective.

As in the previous year, the majority of the Group's assets by value were reviewed as part of the audit, and once again there was particular emphasis on the valuation of unquoted investments. KPMG utilised specialist corporate finance staff to support its audit work on the valuation of Istesso Limited and, overall, the auditor's risk-based approach drew on both their knowledge of the business and the wider economic and business environment.

### Dr Caroline Brown

Chair of the Audit and Risk Committee

25 March 2024

# DIRECTORS' REPORT.

## Report of the Directors

The Directors present their report together with the audited financial statements for IP Group plc and its subsidiaries for the year ended 31 December 2024.

## Corporate Governance Statement

Information that fulfils the requirements of the Corporate Governance Statement can be found on pages 58 to 71 and is incorporated into this Directors' Report by reference.

## Dividend

No dividend was paid, or is to be paid, in relation to the year ended 31 December 2024.

## Directors

The names of Directors who held office during the year ended 31 December 2024 were as follows:

Executive Directors

- Greg Smith
- David Baynes

Non-executive Directors

- Sir Douglas Flint (Chair)
- Dr Caroline Brown
- Heejae Chae
- Aedhmar Hynes
- Anita Kidgell
- Dr Elaine Sullivan (until 12 June 2024) Details of the interests of the Directors in the share capital of the Company are set out in the Directors' Remuneration Report on page 96.

The appointment and replacement of Directors is governed by the Company's Articles of Association (the "Articles"), the Corporate Governance Code, the Companies Act 2006 (the "CA 2006") and related legislation. Subject to the Articles, the CA 2006 and related legislation, any directions given by special resolution and any relevant statutes and regulations, the business of the Company will be managed by the Board who may exercise all the powers of the Company.

## Principal risks and uncertainties and financial instruments

The Group is exposed to a number of risks through its operations, where risk mitigation is most notably focused on ensuring continued capabilities to support portfolio companies. The Group's risk management objectives and policies are described on pages 38 and 39 and in the Corporate Governance Report on page 70. Further information on the Group's financial risk management objectives and policies, including those in relation to credit risk, liquidity risk and market risk, is provided in note 3 to the consolidated financial statements, along with further information on the Group's use of financial instruments.

## Significant events affecting the Group

Details of the important events affecting the Group and future development of the business are described on pages 05 to 15 of the Strategic Report.

## Branches of the Group outside of the UK

The Group does not have any branches outside of the UK.

## Research and development

Details of the Group's activities in the field of research and development are set out on pages 10 to 20 of the Strategic Report.

## Significant agreements

The Group has entered into various agreements to form partnerships or collaborations with nine universities in Australasia, which contain certain change-of-control provisions. In addition, in 2022 the Group entered into a Note Purchase Agreement with Phoenix Group in relation to private placement debt. This agreement contains certain provisions that would apply in the event of a change of control. There are no agreements between the Company, its Directors or employees that provide for compensation for loss of office or employment that occurs because of a takeover bid.

## Share capital and related matters

Details of the structure of the Company's share capital and the rights attaching to the Company's shares are set out in note 1 to the consolidated financial statements. There are no specific restrictions on the size of a holding or on the transfer of shares, which are both governed by the general provisions of the Company's Articles of Association (the "Articles") and prevailing legislation.

At the last Annual General Meeting ("AGM") of the Company held on 12 June 2024 (the "2024 AGM"), authority was given to the Directors pursuant to the relevant provisions of the Companies Act 2006 (the "CA 2006") to allot shares and grant rights over securities in the Company within the parameters permitted by the Investment Association's Share Capital Management Guidelines. The Directors propose to renew this authority at the Company's next AGM to be held on 12 June 2025 ("2025 AGM").

Authority was also granted at the 2024 AGM to disapply pre-emption rights in respect of allotment of ordinary shares on both a general basis and in respect of acquisitions and specified capital investments, within the parameters permitted by the Pre-emption Group's Statement of Principles published in November 2022 (the "Statement of Principles"). The Directors will seek to renew these authorities for a similar period at the 2025 AGM in accordance with the Statement of Principles.

At the 2024 AGM, a special resolution was passed which granted the Directors authority to make market purchases of the Company's shares up to a maximum of approximately 10% of the Company's issued share capital as at 19 April 2024. This authority has been utilised during the year in connection with the Group's share buyback programme, which commenced in December 2023, and which was extended in October 2024, in line with the Group's commitment to allocate a proportion of cash realisations to shareholder returns.

Under such programme, during the financial year ended 31 December 2024, the Group bought back a total of 65,889,706 ordinary shares of 2p each, the total consideration for which was £29.6m. The shares repurchased in 2024 comprised 6.8% of the Group's

## DIRECTORS' REPORT.

issued share capital as at 31 December 2024. The share buyback programme was further extended in January 2025 and remains ongoing.

The Directors will seek to renew the authority to purchase the Company's own shares within similar parameters and for a similar period at the 2025 AGM.

### Articles of Association

The Company's Articles may be amended by a special resolution of the shareholders and were last amended at the 2021 AGM.

### Substantial shareholders

As at the date stated below the following shareholders held interests of 3% or more in the Company's ordinary share capital. Other than as shown, so far as the Company (and its Directors) are aware, no other person held or was beneficially interested in a disclosable interest in the Company.

Shareholder	% as at 31 December 2024
RPMI Railpen	16.65
Lombard Odier Investment Managers	9.25
BlackRock	5.79
Vanguard Group	5.49
Schroder Investment Management	4.06
Aberdeen	3.96
Legal & General Investment Management	3.30
Imperial College of Science, Technology & Medicine	3.16

### Corporate and social responsibility

Details of the Group's policies, activities and aims with regard to its corporate and social responsibilities, including details of its greenhouse gas emissions, are included in the Meaningful impact section on pages 28 to 31, in the Corporate Governance Statement on page 65 and in the s172(1) Statement on pages 50 to 58.

### Directors' indemnity and liability insurance

During the year, the Company has maintained liability insurance in respect of its Directors. As permitted by the Articles and to the extent permitted by law, the Company has also granted the Directors a qualifying third-party indemnity provision against any liabilities the Directors may incur in the execution of their duties as directors of the Company or its subsidiaries, which was in force throughout the financial year and remains in force at the date of approval of this Annual Report.

### Regulation

Top Technology Ventures Limited and Parkwalk Advisors Ltd, wholly-owned subsidiaries of the Company, are authorised and regulated by the Financial Conduct Authority under the Financial Services and Markets Act 2000. In Australia, the Group's wholly-owned subsidiary, IP2IPO Australia Management Pty Ltd is authorised and regulated by the Australian Securities and Investment Commission. IP Group Greater China Services Limited, a wholly-owned Hong Kong-incorporated subsidiary of the Company, was, during the year, authorised and regulated by the Hong Kong Securities and Futures Commission. This company gave notice to the Hong Kong Securities and Futures Commission to cease its regulated activities with effect from 31 December 2024.

### Post-balance sheet events

Material events occurring since the balance sheet date are disclosed in note 28 to the Group's financial statements.

### Political donations and expenditure

It is the Board's policy not to make political donations, incur political expenditure or otherwise make cash contributions to political parties. The Group did not make any political donations during 2024. However, the CA 2006 is very broadly drafted in this area and the Board has raised a concern that it may include activities such as funding conferences or supporting certain bodies involved in policy review and law reform. Accordingly, at the 2024 AGM, the shareholders supported a resolution on a precautionary basis to authorise the Group to incur

political expenditure (as defined in Section 365 of the CA 2006) not exceeding £50,000 in total at any time from the date of the 2024 AGM up to the conclusion of the 2025 AGM. The Board intends to seek renewed authority for the Group to incur political expenditure of not more than £50,000 in total at the Company's 2025 AGM.

### Disclosure of information to auditor

Each Director at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the CA 2006.

### Going concern

The Directors confirm that they have a reasonable expectation that the Group will have adequate resources to continue in operational existence for at least the next twelve months from the date of the accounts and, accordingly, they continue to adopt the going concern basis in preparing the financial statements. A viability statement, as required by the Code, can be found in the Strategic Report on page 49.

This Directors' Report was approved by the Board on 24 March 2025 and signed on its behalf by:

**Angela Leach**  
Company Secretary

25 March 2025

# STATEMENT OF DIRECTORS' RESPONSIBILITIES.

## IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report, Strategic Report, Directors' Report, the Directors' Remuneration Report, the Corporate Governance Statement and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable, relevant and reliable and, in respect of the parent Company financial statements only, prudent
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent Company financial statements
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern

- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule ("DTR") 4.1.16R, the financial statements will form part of the annual financial report prepared under DTR 4.1.17R and 4.1.18R. The auditor's report on these financial statements provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

### Responsibility statement of the Directors in respect of the annual financial report

The Directors confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The Directors consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

On behalf of the Board

**Sir Douglas Flint**  
Chair

24 March 2025

# INDEPENDENT AUDITOR’S REPORT.

## TO THE MEMBERS OF IP GROUP PLC

### 1. Our opinion is unmodified

We have audited the financial statements of IP Group plc (“the Company”) for the year ended 31 December 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Balance Sheet, the Company Statement of Changes in Equity, and the related notes, including the accounting policies in note 1 to both the consolidated and the Company financial statements.

#### In our opinion:

- the financial statements give a true and fair view of the state of the Group’s and of the parent Company’s affairs as at 31 December 2024 and of the Group’s loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit and Risk Committee.

We were first appointed as auditor by the shareholders on 13 May 2014. The period of total uninterrupted engagement is for the 11 financial years ended 31 December 2024. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview		
<b>Materiality: group financial statements as a whole</b>	£12.3m (2023: £12.4m)	
	1.1% (2023: 0.9%) of Total Assets	
Key audit matters		vs 2023
<b>Recurring risks</b>	Valuation of certain equity and debt investments (Group)	↔
	Recoverability of investment in subsidiaries (parent Company)	↔

### 2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and our findings from those procedures in order that the Company’s members, as a body, may better understand the process by which we arrived at our audit opinion. These matters were addressed, and our findings are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.


# INDEPENDENT AUDITOR'S REPORT.

## TO THE MEMBERS OF IP GROUP PLC

	The risk	Our response
<p><b>Valuation of certain unquoted investments</b></p> <p>(£632.3 million; 2023: £961.1 million)</p> <p>→ Refer to page 101 (<b>Audit and Risk Committee Report</b>), page 137 (<b>accounting policy</b>) and page 138 (<b>financial disclosures</b>).</p>	<p><b>Subjective Valuation</b></p> <p>Certain of the unquoted investments within the total unquoted investments balance of £632.3m (2023: £891.4m) are subject to significant inherent estimation uncertainty in determining their valuation.</p> <p>The Group's investments are typically early stage investments, which are neither profitable nor revenue generative. The fair value of these investments is determined with reference to the prices of recent orderly funding rounds, adjusted for performance against business plans, product development progress, or expected cash-out dates. Other investments are valued using revenue multiples, or in the case of Istesso (the Group's largest individual unquoted investment), discounted cash flow analysis.</p> <p>As these investments are unquoted and illiquid the fair value is determined through the application of valuation techniques. The application of valuation techniques involves the exercise of significant judgement by the Group in relation to the assumptions and inputs into the respective models (e.g., adjustment to funding rounds). The factors considered in assessing which unquoted investments were subject to significant risk included investments requiring short term funding, investments which are individually significant in value, or those with positive or negative operational or financial developments.</p> <p>The effect of these matters is that, as part of our risk assessment, we determined that the subjective estimates in fair value measurement of certain unquoted investments, as identified above, have a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. We additionally identified a fraud risk associated to the valuation of certain unquoted equity and debt investments as set out in section 6, "Fraud and breaches of laws and regulations – ability to detect".</p> <p>We continue to perform procedures over limited and limited liability partnership interests, previously considered part of this Key Audit Matter in 2023. Following a reassessment of the risks associated with the balance of £58.1m (2023: £69.7m), we have not assessed this as part of the Key Audit Matter in the current year.</p>	<p>We performed the tests below, rather than seeking to rely on any of the Group's controls, because the nature of the balance is such that we would expect to obtain audit evidence through fully substantive procedures.</p> <p>Our procedures included:</p> <ul style="list-style-type: none"> <li>• <b>Investment process:</b> We performed walkthrough testing of the valuation process undertaken and attended valuation committee meetings to obtain an understanding of the process and controls in operation.</li> <li>• <b>Portfolio understanding:</b> We obtained an understanding of the investments included within the portfolio through inquiry (including of the valuation committee) and through our own independent research.</li> <li>• <b>Methodology choice:</b> In the context of observed industry best practice and the provisions of the International Private Equity and Venture Capital Valuation Guidelines, we assessed the appropriateness of the valuation method selected.</li> <li>• <b>Our valuation experience:</b> We assessed key judgements affecting investee company valuations and compared key underlying financial data inputs to external sources, investee company audited accounts where available and management information as applicable. For certain of the life sciences investments (including, but not limited to, Istesso) we used our own medical specialist to assist us in understanding the investee businesses and challenging key judgements.</li> <li>• For investments held at the price of recent investment, we obtained an understanding of the circumstances surrounding the transaction and assessed whether the transaction price represented fair value at the transaction date. We challenged whether this remains an appropriate basis on which to value the investment as at the year end, including by assessing the investee company's performance against relevant milestones since the transaction. These factors drive the discount/premium applied to the transaction value.</li> <li>• For investments valued based on discounted cash flows or market multiples, we assessed relevant assumptions including (where applicable) the discount rate applied, maintainable revenue or earnings assumption, the suitability of the comparable companies used and discount/premium applied.</li> <li>• <b>Our corporate finance expertise:</b> In respect of the valuation of Istesso, we used our own valuations specialists to assist us in assessing the principles and appropriateness of the valuation methodology and independently providing a reasonable range for the discount rate.</li> <li>• <b>Assessing transparency:</b> We considered the appropriateness, in accordance with relevant accounting standards, of the disclosures in respect of the valuation of certain equity and debt investments and the effect of changing one of more inputs to reasonable possible alternative valuation assumptions.</li> </ul> <p><b>Our findings:</b></p> <p>We found the Group's valuation of certain equity and debt investments to be balanced (2023: mildly cautious) and the related disclosures to be proportionate (2023: proportionate).</p>

# INDEPENDENT AUDITOR'S REPORT.

## TO THE MEMBERS OF IP GROUP PLC

	The risk	Our response
<p><b>Recoverability of the parent Company's investment in subsidiaries</b></p> <p>(£331.1 million; 2023: £330.4 million)</p> <p> Refer to page 162 (<b>accounting policy</b>), and page 163 (<b>financial disclosures</b>).</p>	<p><b>Low risk, high value</b></p> <p>The carrying amount of the parent Company's investments in subsidiaries represents 35% (2023: 34%) of the parent Company's total assets.</p> <p>Their recoverability is not at a high risk of significant misstatement or subject to significant judgement.</p> <p>However, due to their materiality in the context of the parent Company financial statements, this is considered to be the area that had the greatest effect on our overall parent Company audit.</p>	<p>We performed the tests below, rather than seeking to rely on any of the parent Company's controls, because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.</p> <p>Our procedures included:</p> <ul style="list-style-type: none"> <li>• <b>Tests of detail:</b> We compared the carrying amount of 100% of investments with the relevant subsidiaries' draft balance sheet to identify whether their net assets, being an approximation of the minimum recoverable amount, were in excess of their carrying amount.</li> <li>• <b>Assessing subsidiary audits:</b> We considered the results of our work on all of those subsidiaries' net assets.</li> </ul> <p><b>Our findings:</b></p> <p>We found the balance of the parent Company's investments in subsidiaries and the related impairment charge to be balanced (2023: balanced) and the related disclosures to be proportionate (2023 findings: proportionate).</p>

We continue to perform procedures over the application of IFRS 10 in respect of Istesso Limited and IPG Cayman LP. However, given there have been no significant changes in the financing or organisational arrangements in the current financial year, we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified in our report as a key audit matter this year.

# INDEPENDENT AUDITOR'S REPORT.

## TO THE MEMBERS OF IP GROUP PLC

### 3. Our application of materiality and an overview of the scope of our audit

#### Our application of materiality

Materiality for the Group financial statements as a whole was set at £12.3m (2023: £12.4m), determined with reference to a benchmark of Group total assets, of which it represents 1.1% (2023: 0.9%).

Materiality for the parent Company financial statements as a whole was set at £10.3m (2023: £10.3m), determined with reference to a benchmark of parent Company total assets, of which it represents 1.1% (2023: 1.1%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2023: 75%) of materiality for the financial statements as a whole, which equates to £9.2m (2023: £9.3m) for the Group and £7.7m (2023: £7.7m) for the parent Company. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

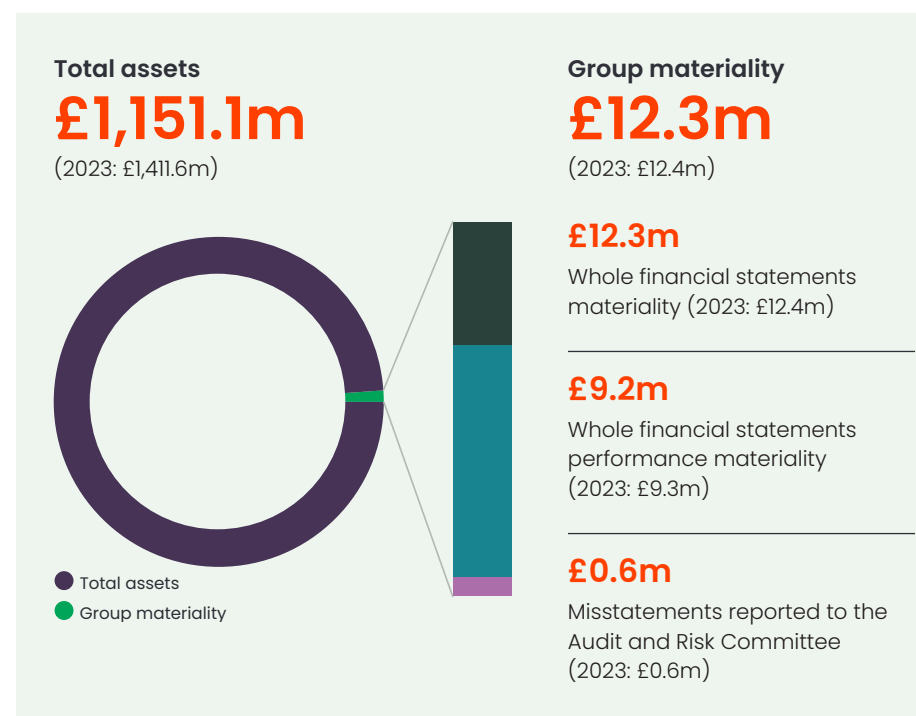
We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.61m (2023: £0.62m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

#### Overview of the scope of our audit

This year, we applied the revised group auditing standard in our audit of the consolidated financial statements. The revised standard changes how an auditor approaches the identification of components, and how the audit procedures are planned and executed across components. In particular, the definition of a component has changed, shifting the focus from how the entity prepares financial information to how we, as the group auditor, plan to perform audit procedures to address group risks of material misstatement ("RMMs").

We identified the Group as a whole to be a single component, having considered our evaluation of the Group's legal structure, the investment valuation approach across the Group, the existence of common information systems, and our ability to perform audit procedures centrally.

Accordingly, we performed audit procedures on the single component. The audit was performed using the materiality and performance materiality levels set out right.



#### Impact of controls on our Group audit

The Group relies on a number of IT systems and applications to record financial transactions. We identified the main finance IT system and the systems used to monitor and maintain investment data as relevant to our Group audit. Our IT auditors assisted us in obtaining an understanding of the design of general IT controls and automated controls addressing significant risk areas and process risk points within the journals process.

We identified certain control deficiencies in relation to journal entries. In response, we conducted incremental risk assessment procedures to determine the implications of the deficiencies identified on each financial statement caption. Ultimately, we assessed the impact on our approach was limited.

Consistent with our approach noted within the key audit matters, we did not plan to rely on any of the Group's automated or manual controls in relation to any areas of our audit (including in relation to the systems which monitor and maintain investment data). This is because the nature of the majority of the Group's balances, including the key audit matter, are such that we would expect to obtain audit evidence primarily from substantive audit procedures as that approach was either considered more appropriate to gain sufficient evidence over the relevant balance or more efficient.

# INDEPENDENT AUDITOR'S REPORT.

## TO THE MEMBERS OF IP GROUP PLC

### 4. The impact of climate change on our audit

In planning our audit we have considered the potential impacts of climate change on the Group's business and its financial statements.

Climate change impacts the Group principally through the valuation of investments and through potential reputational risk associated with the Group's strategy. The Group's exposure to climate change is primarily through the investee companies, as the key valuation assumptions and estimates could be impacted by climate risks, for example where a new low carbon technology is more likely to attract greater investment; this is most apparent in the Cleantech investments.

As part of our audit we have made enquiries of Directors to understand the extent of the potential impact of climate change risk on the Group's financial statements and the Group's preparedness. We have performed a risk assessment of how the impact of climate change may affect the financial statements and our audit, in particular over the valuation of unquoted investments and the related key audit matter above.

Given the nature of the current investment portfolio, the valuation methods and investing strategy of the Group, we consider that climate risks do not have a significant effect on our key audit matters.

We have read the disclosure of climate related information in the front half of the annual report and considered consistency with the financial statements and our audit knowledge.

### 5. Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the parent Company or to cease their operations, and as they have concluded that the Group's and the parent Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and parent Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and parent Company's available financial resources and metrics relevant to debt covenants over this period were:

- Significant additional funding being made into current and future investee companies; and
- Reduction in realisations over the period including from listed investments.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources and covenants indicated by the Group's financial forecasts.

We considered whether the going concern disclosure in notes 1 to both the Group and parent Company financial statements gives a full and accurate description of the Directors' assessment of going concern.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or parent Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the Directors' statement in notes 1 to both the Group and parent Company financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and parent Company's use of that basis for the going concern period, and we found the going concern disclosure in notes 1 to both the Group and the parent Company financial statements to be acceptable; and
- the related statement under the UK Listing Rules set out on page 107 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the parent Company will continue in operation.

# INDEPENDENT AUDITOR'S REPORT.

## TO THE MEMBERS OF IP GROUP PLC

### 6. Fraud and breaches of laws and regulations – ability to detect

#### Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Enquiring of Directors and the Audit and Risk Committee as to the Group’s high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group’s channel for “whistleblowing” as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading minutes of meetings of those charged with governance;
- Consideration of the Group’s remuneration policies, such as the Annual Incentive Scheme (“AIS”), and the associated performance targets; and
- Our forensic professionals assisted us in identifying key fraud risks. This included holding a discussion with the engagement partner and engagement manager and assisting with designing relevant audit procedures to respond to the identified fraud risks.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we performed procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as valuation of certain unquoted investments.

On this audit we assessed there to be no fraud risk related to revenue recognition. We obtained an understanding of all revenue streams and assessed that revenue recognition is simple in nature, with no material estimation or judgement.

We identified a fraud risk relating to the valuation of certain equity and debt investments held on the balance sheet. As these investments are unquoted and illiquid, they are valued using valuation techniques. Such techniques are subjective and involve the exercise of judgement by the Group over areas such as the determination of discounts or premiums applied to transaction values, market multiples and discount rate. In addition, the valuation of the equity and debt investment portfolio drives the remuneration of Directors and is considered a key indicator for their performance. Due to the highly judgemental nature of these valuations, the reliance on unobservable inputs and the linkage to Directors’ remuneration, we consider there to be increased risk of fraud in relation to the valuation of certain equity and debt investments. Further detail is set out in the key audit matter disclosures in section 2 of this report.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included postings made to unexpected account combinations.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias, including assessing the valuation of certain equity and debt investments for bias.

#### Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors (as required by auditing standards), and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

As certain entities within the Group are regulated, our assessment of risks involved gaining an understanding of the control environment including the entity’s procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation including the Substantial Shareholding Exemption (“SSE”), and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: data protection laws, anti-bribery and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evidence from relevant correspondence, an audit will not detect that breach.

# INDEPENDENT AUDITOR'S REPORT.

## TO THE MEMBERS OF IP GROUP PLC

### Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### 7. We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

### Strategic report and Directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the Strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### Directors' Remuneration Report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

### Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the viability statement on page 49 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the risks and internal controls disclosures on page 38 describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the Directors' explanation in the viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the viability statement, set out on page 49 under the UK Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and parent Company's longer-term viability.

### Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' corporate governance disclosures and the financial statements and our audit knowledge.

# INDEPENDENT AUDITOR'S REPORT.

## TO THE MEMBERS OF IP GROUP PLC

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the UK Listing Rules for our review. We have nothing to report in this respect.

### 8. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

### 9. Respective responsibilities

#### Directors' responsibilities

As explained more fully in their statement set out on page 108, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

### 10. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the terms of our engagement by the Company. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Company, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

#### Jatin Patel (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants  
15 Canada Square  
London, E14 5GL

24 March 2025

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £m	2023 £m
<b>Portfolio return and revenue</b>			
Change in fair value of equity and debt investments	13	(246.1)	(110.9)
Gain/(loss) on disposal of equity and debt investments	15	63.7	(10.8)
Change in fair value of limited and limited liability partnership interests	14	(12.6)	(38.8)
Revenue from services and other income	4	5.5	5.9
		<b>(189.5)</b>	<b>(154.6)</b>
<b>Administrative expenses</b>			
Carried interest plan and other deal incentives credit	22	7.9	4.7
Share-based payment charge	21	(1.9)	(2.6)
Other administrative expenses	8	(25.3)	(28.0)
		<b>(19.3)</b>	<b>(25.9)</b>
<b>Operating loss</b>	7	<b>(208.8)</b>	<b>(180.5)</b>
Finance income		8.8	9.8
Finance costs		(6.7)	(5.6)
<b>Loss before taxation</b>		<b>(206.7)</b>	<b>(176.3)</b>
Taxation	10	(0.3)	1.9
<b>Loss for the year</b>		<b>(207.0)</b>	<b>(174.4)</b>
<b>Other comprehensive income</b>			
Items that may be subsequently reclassified to the income statement			
Exchange differences on translating foreign operations		(3.0)	(0.4)
<b>Total comprehensive loss for the year</b>		<b>(210.0)</b>	<b>(174.8)</b>
<b>Attributable to:</b>			
Equity holders of the parent		(205.6)	(171.3)
Non-controlling interest		(4.4)	(3.5)
		<b>(210.0)</b>	<b>(174.8)</b>
<b>Loss per share</b>			
Basic (p)	11	(19.97)	(16.53)
Diluted (p)	11	(19.97)	(16.53)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION.

AS AT 31 DECEMBER 2024

	Note	2024 £m	2023 £m
<b>ASSETS</b>			
Non-current assets			
Goodwill		0.4	0.4
Property, plant and equipment		0.8	1.4
Joint venture investment		0.6	0.6
Portfolio:			
Equity investments	13	713.8	1,011.5
Debt investments	13	51.6	83.7
Limited and limited liability partnership interests	14	58.1	69.7
Receivable on sale of debt and equity investments	15, 17	18.5	7.8
<b>Total non-current assets</b>		<b>843.8</b>	<b>1,175.1</b>
Current assets			
Assets held for sale	13	13.9	–
Trade and other receivables	16	6.3	8.2
Receivable on sale of debt and equity investments	15, 17	1.6	1.4
Deposits	3	170.0	126.0
Cash and cash equivalents	3	115.6	100.9
<b>Total current assets</b>		<b>307.4</b>	<b>236.5</b>
<b>Total assets</b>		<b>1,151.2</b>	<b>1,411.6</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to owners of the parent			
Called up share capital	20	19.5	21.3
Share premium account		102.5	102.5
Capital redemption reserve	20	1.8	–
Retained earnings		842.2	1,075.6
<b>Total equity attributable to equity holders</b>		<b>966.0</b>	<b>1,199.4</b>
Non-controlling interest		(13.5)	(9.1)
<b>Total equity</b>		<b>952.5</b>	<b>1,190.3</b>
Current liabilities			
Trade and other payables	18	12.5	17.1
Borrowings	19	6.3	6.3
<b>Total current liabilities</b>		<b>18.8</b>	<b>23.4</b>
Non-current liabilities			
Borrowings	19	122.8	128.9
Carried interest plan liability	22	27.3	38.0
Deferred tax liability	10	4.5	4.8
Loans from limited partners of consolidated funds	19	19.9	19.8
Other non-current liabilities		5.4	6.4
<b>Total non-current liabilities</b>		<b>179.9</b>	<b>197.9</b>
<b>Total liabilities</b>		<b>198.7</b>	<b>221.3</b>
<b>Total equity and liabilities</b>		<b>1,151.2</b>	<b>1,411.6</b>

Registered number: 04204490

The accompanying notes on pages 121 to 159 form an integral part of the financial statements on pages 117 to 174. The financial statements were approved by the Board of Directors and authorised for issue on 24 March 2025 and were signed on its behalf by:



**Greg Smith**  
Chief Executive Officer



**David Baynes**  
Chief Financial Officer

# CONSOLIDATED STATEMENT OF CASH FLOWS.

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £m	2023 £m
<b>Operating activities</b>			
Loss before taxation for the period		(206.7)	(176.3)
<b>Adjusted for:</b>			
Change in fair value of equity and debt investments	13	246.1	110.9
(Gain)/Loss on disposal of equity investments	15	(63.7)	10.8
Change in fair value of limited and limited liability partnership interests	14	12.6	38.8
Carried interest plan and other deal incentives credit	22	(7.9)	(4.7)
Carried interest scheme payments	22	(2.5)	(1.3)
Share-based payment charge	21	1.9	2.6
Finance income		(8.8)	(9.8)
Finance costs		6.7	5.6
Depreciation of right-of-use asset, property, plant and equipment		0.6	0.6
Corporate finance fees settled in the form of portfolio company equity		–	(0.1)
<b>Changes in working capital</b>			
(Increase)/Decrease in trade and other receivables	16	(0.7)	1.3
Decrease in trade and other payables	18	(7.3)	(0.3)
Drawdowns from limited partners of consolidated funds		0.1	0.3
<b>Other operating cash flows</b>			
Interest received		4.5	3.7
<b>Net cash outflow from operating activities</b>		<b>(25.1)</b>	<b>(17.9)</b>
<b>Investing activities</b>			
Purchase of equity and debt investments	13	(60.8)	(63.4)
Investment in limited and limited liability partnership funds	14	(2.2)	(9.8)
Investment in joint venture		–	(0.6)
Interest received on deposits		5.9	4.1
Cash flow to deposits		(230.0)	(191.7)
Cash flow from deposits		186.6	218.4
Proceeds from sale of equity and debt investments	15	182.2	37.7
Distribution from limited partnership funds	14	1.2	0.9
<b>Net cash inflow/(outflow) from investing activities</b>		<b>82.9</b>	<b>(4.4)</b>
<b>Financing activities</b>			
Dividends paid	26	–	(13.0)
Repurchase of own shares – treasury shares	20	(29.6)	(0.1)
Lease principal payment		(0.4)	(0.5)
Interest paid		(6.8)	(5.5)
Repayment of EIB loan facility	19	(6.1)	(6.2)
Drawdown of loan facility	19	–	60.0
<b>Net cash (outflow)/inflow from financing activities</b>		<b>(42.9)</b>	<b>34.7</b>
<b>Net increase in cash and cash equivalents</b>		<b>14.9</b>	<b>12.4</b>
Cash and cash equivalents at the beginning of the year		100.9	88.7
Effect of foreign exchange rate changes		(0.2)	(0.2)
<b>Cash and cash equivalents at the end of the year</b>		<b>115.6</b>	<b>100.9</b>

The accompanying notes on pages 121 to 159 form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.

FOR THE YEAR ENDED 31 DECEMBER 2024

	Attributable to equity holders of the parent						
	Share capital £m	Share premium <sup>1</sup> £m	Capital redemption reserve <sup>5</sup> £m	Retained earnings <sup>2</sup> £m	Total £m	Non-controlling interest <sup>3</sup> £m	Total equity £m
<b>At 1 January 2023</b>	<b>21.3</b>	<b>102.5</b>	<b>–</b>	<b>1,257.9</b>	<b>1,381.7</b>	<b>(5.6)</b>	<b>1,376.1</b>
<b>Total comprehensive income for the period</b>							
Loss for the year	–	–	–	(170.9)	(170.9)	(3.5)	(174.4)
Currency translation <sup>4</sup>	–	–	–	(0.9)	(0.9)	–	(0.9)
Total comprehensive income for the period	–	–	–	(171.8)	(171.8)	(3.5)	(175.3)
<b>Transactions with owners, recorded directly in equity</b>							
Purchase of treasury shares <sup>5</sup>	–	–	–	(0.1)	(0.1)	–	(0.1)
Equity-settled share-based payments <sup>6</sup>	–	–	–	2.6	2.6	–	2.6
Ordinary dividends <sup>7</sup>	–	–	–	(13.0)	(13.0)	–	(13.0)
Total contributions by and distributions to owners	–	–	–	(10.5)	(10.5)	–	(10.5)
<b>At 1 January 2024</b>	<b>21.3</b>	<b>102.5</b>	<b>–</b>	<b>1,075.6</b>	<b>1,199.4</b>	<b>(9.1)</b>	<b>1,190.3</b>
<b>Total comprehensive income for the period</b>							
Loss for the year	–	–	–	(202.6)	(202.6)	(4.4)	(207.0)
Currency translation <sup>4</sup>	–	–	–	(3.1)	(3.1)	–	(3.1)
Total comprehensive income for the period	–	–	–	(205.7)	(205.7)	(4.4)	(210.1)
<b>Transactions with owners, recorded directly in equity</b>							
Purchase of treasury shares <sup>5</sup>	(1.8)	–	1.8	(29.6)	(29.6)	–	(29.6)
Equity-settled share-based payments <sup>6</sup>	–	–	–	1.9	1.9	–	1.9
Ordinary dividends <sup>7</sup>	–	–	–	–	–	–	–
Total contributions by and distributions to owners	(1.8)	–	1.8	(27.7)	(27.7)	–	(27.7)
<b>At 31 December 2024</b>	<b>19.5</b>	<b>102.5</b>	<b>1.8</b>	<b>842.2</b>	<b>966.0</b>	<b>(13.5)</b>	<b>952.5</b>

<sup>1</sup> Share premium – Amount subscribed for share capital in excess of nominal value, net of directly attributable issue costs.

<sup>2</sup> Retained earnings – Cumulative net gains and losses recognised in the consolidated statement of comprehensive income net of associated share-based payments credits and distributions to shareholders.

<sup>3</sup> Non-controlling interest – Share of losses attributable to the Limited Partners of IP Venture Fund II LP.

<sup>4</sup> Currency translation – Reflects currency translation differences on reserves non-GBP functional currency subsidiaries. Exchange differences on translating foreign operations are presented before tax.

<sup>5</sup> Purchase of treasury shares – during 2024, the Company purchased 45,280,605 ordinary shares (2023: 200,302 ordinary shares), with an aggregate value of £0.9m (2023: £0.1k) which were initially held in treasury. These were subsequently used to settle employee share based payments of 4,481,489 prior to the remainder being cancelled in September 2024 along with a further 26,493,520 treasury shares held at the start of the year which were also cancelled at the same time. A further 20,609,101 shares with an aggregate value of £0.5m were purchased in the period September to December 2024 and immediately cancelled. The nominal value of the cancelled treasury share has been added to the Capital redemption reserve.

<sup>6</sup> Equity-settled share-based payments – amounts recognised in respect of the Group's share-based payments schemes recognised as a subsidiary investment in the Company accounts with a corresponding entry against equity.

<sup>7</sup> Ordinary dividends – there were no dividends paid in 2024 (2023: £13.0m total; £13.0m cash). No new shares were issued in respect of the scrip dividend (2023: no shares issued).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 1. Basis of preparation

### A) Basis of preparation

The Annual Report and Accounts of IP Group plc (“IP Group” or the “Company”) and its subsidiary companies (together, the “Group”) are for the year ended 31 December 2024. The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. The Group financial statements have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards (“UK-adopted IFRS”).

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in the most appropriate selection of the Group’s accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.

The financial statements are prepared on a historic cost bases except that the following assets and liabilities are stated at their fair value.

### Going concern

The financial statements are prepared on a going concern basis. The Directors have completed a detailed financial forecast alongside severe but plausible scenario-based downside stress-testing, including the impact of declining portfolio values and a reduced ability to generate portfolio realisations.

At the balance sheet date, the Group had cash and deposits of £285.6m, providing liquidity for around three years’ operating expenses and portfolio investment at recent levels, and scheduled debt repayments. Furthermore, the Group has a portfolio of investments valued at around £0.9bn, which is anticipated to provide further liquidity over the forecast period. Accordingly, our forecasting indicates that the Group and its parent Company has adequate resources to enable it to meet its obligations including its debt covenants and to continue in operational existence for at least the next twelve months from the approval date of the accounts. For further details see the Group’s viability statement on page 49.

### Changes in accounting policies

#### (i) New standards, interpretations and amendments effective from 1 January 2024

No new standards, interpretations and amendments effective in the year have had a material effect on the Group’s financial statements.

#### (ii) New standards, interpretations and amendments not yet effective

No new standards, interpretations and amendments not yet effective are expected to have a material effect on the Group’s future financial statements.

The impact of the following is under assessment: IFRS 18 ‘Primary financial statements’, which will become effective in the consolidated Group financial statements for the financial year ending 31 December 2027, subject to UK endorsement.

## B) Basis of consolidation

### IFRS 10 Investment Entity Exemption

IFRS 10 defines an investment entity as one which:

- Obtains funds from one or more investors for the purpose of providing those investors with investment management services
- Commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both
- Measures and evaluates the performance of substantially all of its investments on a fair value basis

We believe that IP Group plc does not meet this definition of an investment entity with the key factors behind this conclusion being:

- the absence of specific exit strategies for early-stage assets (indicating condition (b) above is not satisfied)
- the ability to hold investments indefinitely (indicating condition (b) above is not satisfied)
- the flexibility to explore the direct commercialisation of intellectual property within the Group if that is determined to be the most attractive means of generating value for shareholders. (indicating condition (a) above is not satisfied)

Accordingly, we have applied IFRS 10 consolidation principles for each group of entities as follows:

#### (i) Subsidiaries

Where the Group has control over an entity, it is classified as a subsidiary. Typically, the Group owns a non-controlling interest in its portfolio companies; however, in certain circumstances, the Group takes a controlling interest and hence categorises the portfolio company as a subsidiary. As per IFRS 10, an entity is classed as under the control of the Group when all three of the following elements are present: power over the entity; exposure to variable returns from the entity; and the ability of the Group to use its power to affect those variable returns.

In situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights, it is considered that de facto control exists. In determining whether de facto control exists the Group considers the relevant facts and circumstances, including:

- The size of the Company’s voting rights relative to both the size and dispersion of other parties who hold voting rights;
- Substantive potential voting rights held by the Company and by other parties;
- Other contractual arrangements; and
- Historic patterns in voting attendance.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 1. Basis of preparation *continued*

In assessing the IFRS 10 control criteria in respect of the Group's private portfolio companies, direction of the relevant activities of the company is usually considered to be exercised by the company's board, therefore the key control consideration is whether the Group currently has a majority of board seats on a given company's board, or is able to obtain a majority of board seats via the exercise of its voting rights. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the Company and its subsidiaries as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full. The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets and liabilities are initially recognised at their fair values at the acquisition date. Contingent liabilities dependent on the disposed value of an associated investment are only recognised when the fair value is above the associated threshold. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are consolidated until the date on which control ceases.

### (ii) Associates/portfolio companies

The majority of the Group's portfolio companies are deemed to be Associates, as the Group has significant influence (generally accompanied by a shareholding of between 20% and 50% of the voting rights) but not control. A small number of the Group's portfolio companies are controlled and hence consolidated, as per section (i) above.

As permitted under IAS 28, the Group elects to hold investments in Associates at fair value through profit and loss in accordance with IFRS 9. This treatment is specified by IAS 28 Investment in Associates and Joint Ventures, which permits investments held by a venture capital organisation or similar entity to be excluded from its measurement methodology requirements where those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IFRS 9 Financial Instruments. Therefore, no associates are presented on the consolidated statement of financial position.

Changes in fair value of associates are recognised in profit or loss in the period of the change. The Group has no interests in Associates through which it carries on its operating business. During 2023, the Group made a £0.6m investment into a Joint Venture established in preparation for potential fund operations in China. Joint ventures are held at fair value with any change in value recognised through the income statement.

The disclosures required by Section 409 of the Companies Act 2006 for associated undertakings are included in note 13 of the Company financial statements. Similarly, those investments which may not have qualified as an Associate but fall within the wider scope of significant holdings and so are subject to Section 409 disclosures of the Companies Act 2006 are included in note 11 of the Company financial statements.

### (iii) Limited Partnerships and Limited Liability Partnerships ("Limited Partnerships")

#### a) Consolidated Limited Partnership fund holdings

The Group has a holding in the following Limited Partnership fund, which it determines that it controls and hence consolidates on a line by line basis:

Name	Interest in Limited partnership %
IP Venture Fund II LP ("IPVFII")	33.3

In order to determine whether the Group controls the above funds, it has considered the IFRS 10 control model and related application guidance. In respect of IPVFII, the Group has power via its role as fund manager of the partnership, and exposure to variable returns via its 33.3% ownership interest, resulting in the conclusion that the Group controls and hence consolidates the fund.

#### b) Other non-consolidated Limited Partnership fund holdings

In addition to Limited Partnerships where Group entities act as general partner and investment manager, the Group has interests in three further entities which are managed by third parties:

Name	Interest in Limited partnership %
IPG Cayman LP	58.1
UCL Technology Fund LP ("UCL Fund")	46.4
Technikos LLP ("Technikos")	17.8

The rationale for IPG Cayman LP's categorisation as a non-consolidated fund is considered a significant accounting judgment and is set out in note 2.

The Group has a 46.4% interest in the total capital commitments of the UCL Fund. The Group has committed £24.8m to the fund alongside the European Investment Fund ("EIF"), University College London and other investors. Participation in the UCL Fund provides the Group with the opportunity to generate financial returns and visibility of potential intellectual property from across University College London's research base.

The Group has an 17.8% interest in the total capital commitments of Technikos, a fund with an exclusive pipeline agreement with Oxford University's Institute of Biomedical Engineering.

See note 25 for disclosure of outstanding commitments in respect of Limited Partnerships.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 1. Basis of preparation continued

### iv) Other third-party funds under management

In addition to the Limited Partnership fund IPVFII, described above, the Group also manages other third-party funds, including within its Parkwalk Advisors business unit, and on behalf of Australian superannuation fund Hostplus. In both cases, the Group has no direct beneficial interest in the assets being managed, and its sole exposure to variable returns relates to management fees and performance fees payable on exits above a specified hurdle. As a result, the Group is not deemed to control these managed assets under IFRS10 and they are not consolidated.

### v) Non-controlling interests

The total comprehensive income, assets and liabilities of non-wholly owned entities are attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests.

### vi) Business combinations

The Group accounts for business combinations using the acquisition method from the date that control is transferred to the Group (see (i) Subsidiaries above). Both the identifiable net assets and the consideration transferred in the acquisition are measured at fair value at the date of acquisition and transaction costs are expensed as incurred. Goodwill arising on acquisitions is tested at least annually for impairment. In instances where the Group owns a non-controlling stake prior to acquisition the step acquisition method is applied, and any gain or losses on the fair value of the pre-acquisition holding is recognised in the consolidated statement of comprehensive income.

## C) Other accounting policies

### Regulated capital

Top Technology Ventures Limited and Parkwalk Advisors Ltd, are Group subsidiaries which are subject to external capital requirements imposed by the Financial Conduct Authority ("FCA"). Similarly, the Group's subsidiary in Hong Kong IP Group Greater China Services Limited is subject to external capital requirements imposed by the Securities and Futures Commission of Hong Kong ("SFC"). As such these entities must ensure that they have sufficient capital to satisfy their respective requirements. The Group ensures it remains compliant with these requirements as described in their respective financial statements.

### Cash flow statement classification of portfolio investments

Cash flow relating to portfolio investments have been presented as investing cash flows as opposed to cash flows from operating activities. Management considers this to be an appropriate classification reflecting the fact that these cashflows are allocated towards resources intended to generate future income and cash flows, in line with the definition of investing activities within IAS 7.

## 2. Significant accounting estimates and judgements

The Directors have made the following judgements and estimates that have had the most significant effect on the carrying amounts of the assets and liabilities in the consolidated financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, such as expectations of future events, and are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions which have the most significant effects on the carrying amounts of the assets and liabilities in the financial statements are discussed below.

### (i) Valuation of unquoted equity and debt investments and limited partnership interests (significant estimate)

The Group's accounting policy in respect of the valuation of unquoted equity and debt investments is set out in note 13, and in respect of limited partnership interests in note 14. In applying this policy, the key areas over which judgement are exercised include:

- Consideration of whether a funding round is at arm's length and therefore representative of fair value.
- The relevance of the price of recent investment as an input to fair value, which typically becomes more subjective as the time elapsed between the recent investment date and the balance sheet date increases.
- In the case of companies with complex capital structures, the appropriate methodology for assigning value to different classes of equity based on their differing economic rights.
- Where an upwards or downwards calibration adjustment to a funding transaction valuation to reflect positive or negative developments within the company in question, the size of the adjustment made.
- Where using valuation methods such as discounted cash flows or revenue multiples, the assumptions around inputs including the drug development timeline, probability of clinical trial success, the selection of relevant comparable deal sizes, the probability of securing a pharmaceutical partner, drug sales profiles, royalty rates, discount rates and drug development costs
- Where valuations are based on future events such as sales processes or future funding rounds, the appropriate level of execution risk to be applied to the anticipated event when assessing its valuation impact as at the balance sheet date.
- Debt investments typically represent convertible debt; in such cases judgement is exercised in respect of the estimated equity value received on conversion of the loan.
- For limited partnership investments, the above considerations are applied to the fund in question's equity and debt investments in determining whether the fund manager's Net Asset Value statement values are appropriate.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 2. Significant accounting estimates and judgements

### continued

Valuations are based on management's judgement after consideration of the above and upon available information believed to be reliable, which may be affected by conditions in the financial markets. Due to the inherent uncertainty of the investment valuations, the estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material. Note 13 provides disclosure details on sensitivity and estimation uncertainty.

Critical estimates in respect of the Group's investment in Istesso Limited, including DCF model assumptions in respect of the Phase 2b success rates, selected pharma partner deal size, pharma partnership probability and royalty rates including sensitivity disclosures in respect of these estimates are disclosed in Note 13.

### (ii) Application of IFRS 10 in respect of Istesso Limited and IPG Cayman LP (significant judgement)

The judgments in respect of non-consolidation of Istesso Limited and IPG Cayman LP remain unchanged from the conclusion of our assessment in the prior year, and there have been no material changes in the facts and circumstances during the year. The specific considerations in respect of Istesso Limited and IPG Cayman LP are set out below:

#### Istesso Limited

In respect of Istesso Limited, although the Group has a 56.5% undiluted economic interest in the company, the Group holds a significant proportion of its equity via non-voting shares resulting in it holding less than 50% of the voting rights at the company. Under Istesso's Articles of Association, strategic and day-to-day decisions over running of the business rest with Istesso's board of directors rather than through shareholder voting rights attached to direct ownership of equity interests held in the entity. In this respect, power over Istesso is exercised predominantly through directors' meetings, on which IP Group is not deemed to have majority representation. As such, the relationship between Istesso and IP Group is designed in such a way that "shareholder" voting rights are not the dominant factor in deciding who directs the investee's relevant activities, but it is the directors who do so. IP Group does not control the board of Istesso Limited via a majority of board directors, and is specifically prevented from appointing additional directors to gain control of the board via restrictions in Istesso's Articles of Association.

During the year, the Group advanced a further £10m convertible loan to Istesso Limited, being the second tranche of a total £23.5m convertible loan which was legally committed in 2023 and whose drawdown therefore did not have any additional substantive impact. This was in addition to a £10m convertible loan which was provided in 2022. The terms of the loans contain specific provisions preventing their conversion where this would result in IP Group obtaining control of Istesso.

Based on an updated control assessment, including considerations around whether IP Group has 'de facto' control of Istesso including inter alia the number of voting shares held by the Group and its connected parties and the dispersion of other parties' voting rights, we have concluded that the Group does not control Istesso Limited under IFRS 10.

Had the Directors concluded that consolidation in the current year was appropriate, the impact on the Group Balance Sheet would have been to recognise Istesso Limited's assets and liabilities and to recognise additional intangible assets including goodwill based on the fair value of the company at acquisition. The impact on the Group Income Statement would have been the recognition of Istesso Limited's costs from the point of acquisition. Furthermore, any subsequent fair value movements in the debt and equity of Istesso Limited would not be recognised until the point where IP Group was no longer deemed to control Istesso Limited.

#### IPG Cayman LP

The Group's US portfolio is held via a limited partnership fund, IPG Cayman LP, which was set up in 2018 to facilitate third-party investment into this portfolio. The fund is managed by Longview Innovations Inc., formerly an operating subsidiary of the Group. Prior to 2021, the Group was judged to control both IPG Cayman LP and Longview innovations Inc. under IFRS 10 and hence both entities were consolidated.

In 2021, several events took place which caused us to reassess the Group's control of both entities:

- IPG Cayman LP raised additional third-party funds in the first half of 2021, which reduced the Group's stake in the fund from 80.7% to 58.1% and revised the fund's Limited Partnership Agreement to reduced the Group's rights to replace the fund manager.
- Investors in the 2021 IPG Cayman LP funding round hold a 5 year option to subscribe additional funds which, if exercised, would result in IP Group holding less than 50% in the fund.
- In November 2021 the Group disposed of its equity in IPG Cayman LP's fund manager, Longview Innovations Inc. and hence no longer controls the fund manager.

As a result of these changes, our control assessment concluded that Longview Innovations Inc, is acting as an agent on behalf of all investors in the Cayman LP and not solely IPG plc, therefore the Group no longer controls IPG Cayman LP. The Group therefore ceased to consolidate it from November 2021.

Arriving at this conclusion required the application of judgement, most significantly in assessing the application guidance contained in IFRS 10 B19 which suggests that in some instances a special relationship may exist (such as the fact that we remain the largest individual investor in the fund), implying that an investor has a more than passive interest in the investee. Having considered this guidance we have concluded that on balance the Group does not have power over IPG Cayman LP and hence does not control it.

During 2024, the Group advanced \$0.9m into IPG Cayman LP via a Simple Agreement for Future Equity ("SAFE"). This was in addition to a \$10m SAFE investment made in 2023. The terms of these SAFEs were such that they did not confer any additional substantive rights to the Group in the normal course of business and as a result did not change the consolidation conclusion in respect of IPG Cayman LP.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 3. Financial risk management

As set out in the principal risks and uncertainties section on pages 40 to 48, the Group is exposed, through its normal operations, to a number of financial risks, the most significant of which are market, liquidity and credit risks.

In general, risk management is carried out throughout the Group under policies approved by the Board of Directors. The following further describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

### A) Market risk

#### (i) Price risk

The Group is exposed to equity securities price risk as a result of the equity and debt investments, and investments in Limited Partnerships held by the Group and recognised as at fair value through profit or loss.

The Group mitigates this risk by having established investment appraisal processes and asset monitoring procedures which are subject to overall review by the Board.

The Group holds nine investments valued at £140m at 31 December 2024 which are publicly traded (2023: ten investments; £203.8m), and the remainder of its investments are not traded on an active market.

The net portfolio loss in 2024 of £195.0m represents a 17% decrease against the opening balance (2023: loss of 160.5m; 13% decrease). Sensitivity analysis showing the impact of movements in quoted equity and debt investments is disclosed in note 13, and movements in Limited and Limited Liability interests is shown in note 14.

#### (ii) Foreign exchange risk

The Group's main exposure to foreign currency risk is via its investment portfolio, which is partially denominated in US dollars, Australian dollars, Euros and Swedish Krona. Further details of currency exposure in the portfolio are given in notes 13 and 14.

The Group's US dollar-denominated proceeds included in deferred consideration at December 2024 was £2.5m (2023: £9.4m).

The Group periodically enters into forward foreign exchange contracts to mitigate risk of exchange rate exposure in respect of non GBP-denominated proceeds. As at 31 December 2024 there were no contract forward foreign exchange contracts outstanding.

#### (iii) Interest rate risk

The Group holds a debt facility with the European Investment Bank and a loan note facility primarily with Phoenix Group with the overall balance as at 31 December 2024 amounting to £129.4m (excluding setup costs). These loans all bear a fixed rate of interest, with the annual average interest rate being 5.09% (2023: 4.99%).

For further details of the Group's loans including covenant details see note 19.

The other primary impact of interest rate risk to the Group is the impact on the income and operating cash flows as a result of the interest-bearing deposits and cash and cash equivalents held by the Group.

#### (iv) Concentrations of risk

The Group is exposed to concentration risk via the significant majority of the portfolio being UK-based companies and thus potentially impacted by the performance of the UK economy. In recent years, the Group has decreased the scale of its operations in the US as a result of the dilution of its holding in IPG Cayman LP. The group has, however, increased the scale of its operations in Australia as a result of additional investment in this geography and portfolio value gains.

The Group mitigates Market risk, in co-ordination with liquidity risk, by managing its proportion of fixed to floating rate financial assets. The table on page 126 summarises the interest rate profile of the Group.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 3. Financial risk management continued

	2024				2023			
	Fixed rate £m	Floating rate £m	Interest free £m	Total £m	Fixed rate £m	Floating rate £m	Interest free £m	Total £m
<b>Financial assets</b>								
Equity investments	–	–	713.8	713.8	–	–	1,011.5	1,011.5
Debt investments	–	–	51.6	51.6	–	–	83.7	83.7
Limited and limited liability partnership interests	–	–	58.1	58.1	–	–	69.7	69.7
Assets held for sale	–	–	13.9	13.9	–	–	–	–
Trade receivables	–	–	0.7	0.7	–	–	0.6	0.6
Other receivables	–	–	5.6	5.6	–	–	7.6	7.6
Receivable on sale of debt and equity investments	–	–	20.1	20.1	–	–	9.2	9.2
Deposits	170.0	–	–	170.0	126.0	–	–	126.0
Cash and cash equivalents	10.8	104.4	0.40	115.6	16.8	83.9	0.2	100.9
<b>Total</b>	<b>180.8</b>	<b>104.4</b>	<b>864.2</b>	<b>1,149.4</b>	<b>142.8</b>	<b>83.9</b>	<b>1,182.5</b>	<b>1,409.2</b>
<b>Financial liabilities</b>								
Trade payables	–	–	(0.3)	(0.3)	–	–	(0.5)	(0.5)
Other accruals and deferred income	–	–	(12.2)	(12.2)	–	–	(16.5)	(16.5)
Borrowings	(129.1)	–	–	(129.1)	(135.2)	–	–	(135.2)
Carried interest plan liability	–	–	(27.3)	(27.3)	–	–	(38.0)	(38.0)
Deferred tax liability	–	–	(4.5)	(4.5)	–	–	(4.8)	(4.8)
Loans from Limited Partners of consolidated funds	–	–	(19.9)	(19.9)	–	–	(19.8)	(19.8)
Other non-current liabilities	–	–	(5.4)	(5.4)	–	–	(6.4)	(6.4)
<b>Total</b>	<b>(129.1)</b>	<b>–</b>	<b>(69.6)</b>	<b>(198.7)</b>	<b>(135.2)</b>	<b>–</b>	<b>(86.0)</b>	<b>(221.2)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 3. Financial risk management continued

At 31 December 2024, if interest rates had been 1% higher/lower, post-tax loss for the year, and other components of equity, would have been £1.8m (2023: £2.2m) higher/lower as a result of higher interest received on cash and deposits.

### B) Liquidity risk

The Group seeks to manage liquidity risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group’s treasury management policy asserts that no more than 60% of the Group’s cash and cash equivalents will be placed in fixed-term deposits with a holding period greater than three months at any one point in time. Accordingly, the Group only invests working capital in short-term instruments issued by a pre-approved list of reputable counterparties. The Group continually monitors rolling cash flow forecasts to ensure sufficient cash is available for anticipated cash requirements.

### C) Credit risk

The Group’s credit risk is primarily attributable to its deposits, cash and cash equivalents, debt investments and trade receivables. The Group seeks to mitigate its credit risk on cash and cash equivalents by making short-term deposits with counterparties, or by investing in treasury funds with an “AAA” credit rating or above managed by institutions. Short-term deposit counterparties are required to have where applicable, a prime short-term credit rating at the time of investment (ratings are generally determined by Moody’s or Standard & Poor’s). Moody’s prime credit ratings of “P1”, “P2” and “P3” indicate respectively that the rating agency considers the counterparty to have a “superior”, “strong” or “acceptable” ability to repay short-term debt obligations (generally defined as having an original maturity not exceeding 13 months). An analysis of the Group’s deposits and cash and cash equivalents balance analysed by credit rating as at the reporting date is shown in the table opposite. All other financial assets are unrated.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group has detailed policies and strategies which seek to minimise these associated risks including defining maximum counterparty exposure limits for term deposits based on their perceived financial strength at the commencement of the deposit. The single counterparty limit for fixed term deposits in excess of 3 months at 31 December 2024 was the greater of 60% of total group cash or £50m (2023: 60%; £50m). In addition, no single institution may hold more than the higher of 50% of total cash or £50m. (2023: 50%; £50m).

The group’s exposure to credit risk on debt investments is managed in a similar way to equity security price risk, as described above, through the Group’s investment appraisal processes and asset monitoring procedures which are subject to overall review by the Board. The maximum exposure to credit risk for debt investments, receivables and other financial assets is represented by their carrying amount.

Credit rating	2024 £m	2023 £m
P1	206.9	158.9
AAAMMF <sup>1</sup>	78.6	66.7
Other <sup>2</sup>	0.1	1.3
<b>Total deposits and cash and cash equivalents</b>	<b>285.6</b>	<b>226.9</b>

<sup>1</sup> The Group holds £78.6m (2023: £66.7m) with JP Morgan GBP liquidity fund, which has a AAAMMF credit rating with Fitch.

<sup>2</sup> The Group holds £0.1m (2023: £1.3m) with Arbuthnot Latham, a private bank with no debt in issue and, accordingly, on which a credit rating is not applicable. Bloomberg assess Arbuthnot Latham’s 1-year default probability at 0.021279% (2023: 0.020408%).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 4. Revenue from services and other income

### Accounting Policy:

Revenue from services and other income is generated primarily from within the United Kingdom and is stated exclusive of value added tax, with further revenue generated in the Group's Australian operations. Revenue is recognised when the Group satisfies its performance obligations, in line with IFRS 15. Revenue breakdown and disclosure requirements under IFRS 15 have not been presented as they are considered immaterial. Revenue from services and other income comprises:

### Fund management services

Fund management fees include:

- fund management fees which are earned either as a fixed percentage of total funds under management or a fixed percentage of capital subscribed, and are recognised as the related services are provided and
- performance fees payable from realisations in excess of an agreed return to investors which are recognised upon realisation of assets.

### Licence and royalty income

The Group's Intellectual Property licences typically constitute separate performance obligations, being separate from other promised goods or services. Revenue is recognised in line with the performance obligations included in the licence, which can include sales-based, usage-based or milestone-based royalties.

### Advisory and corporate finance fees

Fees earned from the provision of business support services including executive search services and fees for IP Group representation on portfolio company boards are recognised as the related services are provided. Corporate finance advisory fees are generally earned as a fixed percentage of total funds raised and recognised at the time the related transaction is successfully concluded. In some instances, these fees are settled via the issue of equity in the company receiving the corporate finance services at the same price per share as equity issued as part of the financing round to which the advisory fees apply.

Revenue from services is derived from the provision of advisory and venture capital fund management services or from licensing activities, royalty revenues and patent cost recoveries.

## 5. Operating segments

For both the year ended 31 December 2024 and the year ended 31 December 2023, the Group's revenue and profit before taxation were derived largely from its principal activities within the UK.

For management reporting purposes, the Group is currently organised into five operating segments:

- i. Venture Capital investing within our 'Healthier future' thematic area
- ii. Venture Capital investing within our 'Tech-enriched future' thematic area
- iii. Venture Capital investing within our 'Regenerative future' thematic area
- iv. Venture Capital investing: Other, representing investments not included within our three thematic areas above, including platform investments
- v. the management of third-party funds and the provision of corporate finance advice

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 5. Operating segments *continued*

Reporting line items within Venture Capital investing which are not allocated by thematic sector are presented in the 'Venture Capital investing: other' segment. The element of our 'Healthier future' thematic area relating to Oxford Nanopore Technologies Limited is disclosed separately given its size.

These activities are described in further detail in the strategic report on pages 16 to 20.

### Year ended 31 December 2024

	Venture capital investing: Healthier future £m	Of which Oxford Nanopore £m	Venture capital investing: Tech-enriched future £m	Venture capital investing: Regenerative future £m	Venture capital investing: Other £m	Venture capital investing: Total £m	Third-party fund management £m	Consolidated £m
<b>Statement of comprehensive Income</b>								
<b>Portfolio return and revenue</b>								
Change in fair value of equity and debt investments	(126.0)	(65.6)	(45.6)	(75.1)	0.6	(246.1)	–	(246.1)
(Loss)/gain on disposal of equity and debt investments	7.5	(0.7)	56.1	–	0.1	63.7	–	63.7
Change in fair value of limited and limited liability partnership interests					(12.6)	(12.6)	–	(12.6)
Revenue from services and other income					0.3	0.3	5.2	5.5
	(118.5)	(66.3)	10.5	(75.1)	(11.6)	(194.7)	5.2	(189.5)
<b>Administrative expenses<sup>1</sup></b>								
Carried interest plan credit <sup>1</sup>					7.9	7.9	–	7.9
Share-based payment charge <sup>1</sup>					(1.6)	(1.6)	(0.3)	(1.9)
Other administrative expenses <sup>1</sup>					(19.8)	(19.8)	(5.5)	(25.3)
					(13.5)	(13.5)	(5.8)	(19.3)
<b>Operating loss</b>	(118.5)	(66.3)	10.5	(75.1)	(25.1)	(208.2)	(0.6)	(208.8)
Finance income <sup>1</sup>					8.1	8.1	0.7	8.8
Finance costs <sup>1</sup>					(6.7)	(6.7)	–	(6.7)
<b>Loss before taxation</b>	(118.5)	(66.3)	10.5	(75.1)	(23.7)	(206.8)	0.1	(206.7)
Taxation <sup>1</sup>					(0.3)	(0.3)	–	(0.3)
<b>Loss for the year</b>	(118.5)	(66.3)	10.5	(75.1)	(24.0)	(207.1)	0.1	(207.0)
<b>STATEMENT OF FINANCIAL POSITION</b>								
Assets	463.1	106.6	101.1	215.9	352.0	1,132.1	19.1	1,151.2
Liabilities <sup>1</sup>					(191.8)	(191.8)	(6.9)	(198.7)
<b>Net Assets</b>	463.1	106.6	101.1	215.9	160.2	940.3	12.2	952.5
<b>Other segment items</b>								
Portfolio investment	(36.3)	(1.0)	(8.5)	(15.7)	(2.5)	(63.0)	–	(63.0)
Cash proceeds	30.4	1.6	148.9	–	4.1	183.4	–	183.4

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 5. Operating segments *continued*

Year ended 31 December 2023

	Venture capital investing: Healthier future £m	Of which Oxford Nanopore £m	Venture capital investing: Tech-enriched future £m	Venture capital investing: Regenerative future £m	Venture capital investing: Other £m	Venture capital investing: Total £m	Third-party fund management £m	Consolidated £m
<b>Statement of Comprehensive Income</b>								
<b>Portfolio return and revenue</b>								
Change in fair value of equity and debt investments	(92.9)	(31.9)	(7.0)	(8.7)	(2.3)	(110.9)	–	(110.9)
(Loss)/gain on disposal of equity and debt investments	(12.9)	–	2.1	–	–	(10.8)	–	(10.8)
Change in fair value of limited and limited liability partnership interests					(38.8)	(38.8)	–	(38.8)
Revenue from services and other income					1.3	1.3	4.6	5.9
	(105.8)	(31.9)	(4.9)	(8.7)	(39.8)	(159.2)	4.6	(154.6)
<b>Administrative expenses<sup>1</sup></b>								
Carried interest plan credit <sup>1</sup>					4.7	4.7	–	4.7
Share-based payment charge <sup>1</sup>					(2.3)	(2.3)	(0.3)	(2.6)
Other administrative expenses <sup>1</sup>					(22.6)	(22.6)	(5.4)	(28.0)
					(20.2)	(20.2)	(5.7)	(25.9)
<b>Operating loss</b>	(105.8)	(31.9)	(4.9)	(8.7)	(60.0)	(179.4)	(1.1)	(180.5)
Finance income <sup>1</sup>					9.4	9.4	0.4	9.8
Finance costs <sup>1</sup>					(5.6)	(5.6)	–	(5.6)
<b>Loss before taxation</b>	(105.8)	(31.9)	(4.9)	(8.7)	(56.2)	(175.6)	(0.7)	(176.3)
Taxation <sup>1</sup>					1.9	1.9	–	1.9
<b>Loss for the year</b>	(105.8)	(31.9)	(4.9)	(8.7)	(54.3)	(173.7)	(0.7)	(174.4)
<b>STATEMENT OF FINANCIAL POSITION</b>								
Assets	576.5	173.6	231.4	275.3	310.2	1,393.4	18.2	1,411.6
Liabilities <sup>1</sup>					(214.7)	(214.7)	(6.6)	(221.3)
<b>Net Assets</b>	576.5	173.6	231.4	275.3	95.5	1,178.7	11.6	1,190.3
<b>Other segment items</b>								
Portfolio investment	(33.9)	–	(11.9)	(17.6)	(9.8)	(73.2)	–	(73.2)
Cash proceeds	3.7	–	33.2	0.1	1.6	38.6	–	38.6

<sup>1</sup> These amounts cannot be apportioned to the individual segments of the venture capital investing business.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 6. Auditor's remuneration

Details of the auditor's remuneration are set out below:

	2024 £000	2023 £000
Audit of these financial statements (KPMG LLP)	635.9	525.3
Audit of financial statements of funds and subsidiaries of the companies (KPMG LLP)	153.5	139.2
Audit related assurance services (KPMG LLP)	74.3	72.3
<b>Total assurance services</b>	<b>863.7</b>	<b>736.8</b>

## 7. Operating loss

Operating loss has been arrived at after charging:

	2024 £m	2023 £m
Depreciation of right-of-use asset, property, plant and equipment	(0.6)	(0.6)
Total employee costs (see note 9)	(19.0)	(19.0)

## 8. Other administrative expenses

Other administrative expenses comprise:

	2024 £m	2023 £m
Employee costs (less share-based payment charge)	14.7	16.4
Professional services	3.2	4.2
Depreciation of tangible assets	0.6	0.6
Other expenses	4.1	6.8
	<b>22.6</b>	<b>28.0</b>
Restructuring costs – labour	2.4	–
Restructuring costs – professional services	0.3	–
<b>Total</b>	<b>25.3</b>	<b>28.0</b>

## 9. Employee costs

### Accounting Policy:

#### Employee benefits

#### Pension obligations

The Group operates a company defined contribution pension scheme for which all employees are eligible. The assets of the scheme are held separately from those of the Group in independently administered funds. The Group currently makes contributions on behalf of employees to this scheme or to employee personal pension schemes on an individual basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

#### Share-based payments

The Group engages in equity-settled share-based payment transactions in respect of services receivable from employees, by granting employees conditional awards of ordinary shares subject to certain vesting conditions. Conditional awards of shares are made pursuant to the Group's Long-Term Incentive Plan ("LTIP") awards and/or the Group's Annual Incentive Scheme ("AIS"). The fair value of the shares is estimated at the date of grant, taking into account the terms and conditions of the award, including market-based performance conditions.

The fair value at the date of grant is recognised as an expense over the period that the employee provides services, generally the period between the start of the performance period and the vesting date of the shares. The corresponding credit is recognised in retained earnings within total equity. The fair value of services is calculated using the market value on the date of award and is adjusted for expected and actual levels of vesting. Where conditional awards of shares lapse, the expense recognised to date is credited to the statement of comprehensive income in the year in which they lapse. Where the terms for an equity-settled award are modified, and the modification increases the total fair value of the share-based payment or is otherwise beneficial to the employee at the date of modification, the incremental fair value is amortised over the vesting period.

See the audited section of the Directors' Remuneration Report on pages 78 to 100 and note 21 for further details.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 9. Employee costs *continued*

Employee costs (including Executive Directors) comprise:

	2024 £m	2023 £m
Salaries	10.6	11.3
Defined contribution pension cost	1.1	1.1
Other bonuses accrued in the year	1.8	2.6
Social security	1.2	1.4
Restructuring costs – labour	2.4	–
<b>Employee costs</b>	<b>17.1</b>	<b>16.4</b>
Share-based payment charge (see note 21)	1.9	2.6
<b>Total employee costs</b>	<b>19.0</b>	<b>19.0</b>

The average monthly number of persons (including Executive Directors) employed by the Group during the year was 98, all of whom were involved in management and administration activities (2023: 101). General details of the Directors' remuneration can be found in the audited sections of the Directors' Remuneration Report on pages 78 to 100.

## 10. Taxation

### Accounting Policy:

#### Deferred tax

Full provision is made for deferred tax on all temporary differences resulting from the carrying value of an asset or liability and its tax base. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or deferred tax liability settled. Deferred tax assets are recognised to the extent that it is probable that the deferred tax asset will be recovered in the future.

	2024 £m	2023 £m
Current tax		
UK corporation tax on profits for the year	–	–
Foreign tax	–	–
	–	–
Deferred tax charge/(credit)	0.3	(1.9)
<b>Total tax</b>	<b>0.3</b>	<b>(1.9)</b>

The Group primarily seeks to generate capital gains from its holdings in spin-out companies over the longer term. The majority of these capital gains qualify for UK Substantial Shareholding Exemption ("SSE") and are therefore not taxable, resulting in the Group making annual net operating losses from its operations from a UK tax perspective.

Gains arising on sales of holdings which do not qualify for SSE will ordinarily give rise to taxable profits for the Group, to the extent that these exceed the Group's ability to offset gains against current and brought forward tax losses (subject to the relevant restrictions on the use of brought-forward losses). In such cases, a deferred tax liability is recognised in respect of estimated tax amount payable.

The amount for the year can be reconciled to the loss per the statement of comprehensive income as follows:

	2024 £m	2023 £m
Loss before tax	(206.7)	(176.3)
Tax at the UK corporation tax rate of 25% (2023: 23.52%)	(51.7)	(41.5)
Expenses not deductible for tax purposes	(1.8)	(1.1)
Income not taxable	(15.9)	2.5
Fair value movement on investments qualifying for SSE	65.8	40.9
Movement on share-based payments	0.3	0.6
Movement in tax losses arising not recognised	3.6	0.1
CIR (Corporate Interest Rate) reactivation	–	(3.1)
Foreign tax	–	0.1
Rate change on deferred tax	–	(0.4)
<b>Total tax charge/(credit)</b>	<b>0.3</b>	<b>(1.9)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 10. Taxation *continued*

At 31 December 2024, deductible temporary differences and unused tax losses, for which no deferred tax asset has been recognised, totalled £333.0m (2023: £298.3m). An analysis is shown below:

	2024		2023	
	Amount £m	Deferred tax £m	Amount £m	Deferred tax £m
Share-based payment costs and other temporary differences	(52.4)	(13.1)	(48.1)	(12.0)
Unused tax losses	(279.6)	(69.9)	(250.2)	(62.6)
<b>Total unrecognised deferred tax asset</b>	<b>(333.0)</b>	<b>(83.0)</b>	<b>(298.3)</b>	<b>(74.6)</b>

At 31 December 2024, deductible temporary differences and unused tax losses, for which a deferred tax liability has been recognised, totalled £18.0m (2023: £18.9m). An analysis is shown below:

	2024		2023	
	Amount £m	Deferred tax £m	Amount £m	Deferred tax £m
Temporary timing differences	39.6	9.9	54.1	13.5
Unused tax losses	(21.6)	(5.4)	(35.2)	(8.7)
<b>Total recognised deferred tax liability</b>	<b>18.0</b>	<b>4.5</b>	<b>18.9</b>	<b>4.8</b>

## 11. Earnings per share

	2024 £m	2023 £m
<b>Earnings</b>		
Earnings for the purposes of basic and dilutive earnings per share	(202.6)	(171.3)

	2024 Number of shares	2023 Number of shares
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic earnings per share	1,014,672,586	1,036,400,406
Effect of dilutive potential ordinary shares: Options or contingently issuable shares	–	–
Weighted average number of ordinary shares for the purposes of diluted earnings per share	1,014,672,586	1,036,400,406

	2024 pence	2023 pence
Basic	(19.97)	(16.53)
Diluted	(19.97)	(16.53)

No adjustment has been made to the basic loss per share in the years ended 31 December 2024 and 31 December 2023, as the exercise of share options would have the effect of reducing the loss per ordinary share and therefore is not dilutive.

Potentially dilutive ordinary shares include contingently issuable shares arising under the Group's LTIP arrangements, and options issued as part of the Group's Sharesave schemes and Deferred Bonus Share Plan (for annual bonuses deferred under the terms of the Group's Annual Incentive Scheme).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 12. Categorisation of financial instruments

### Accounting policy:

#### Financial assets and liabilities

Financial assets and liabilities are recognised in the balance sheet when the relevant Group entity becomes a party to the contractual provisions of the instrument. De-recognition occurs when rights to cash flows from a financial asset expire, or when a liability is extinguished.

Derivative financial instruments are accounted for at fair value through profit and loss in accordance with IFRS 9. They are revalued at the balance sheet date based on market prices, with any change in fair value being recorded in profit and loss. Derivatives are recognised in the Consolidated statement of financial position as a financial asset when their fair value is positive and as a financial liability when their fair value is negative. The Group's derivative financial instruments are not designated as hedging instruments.

#### Financial assets

In respect of regular way purchases or sales, the Group uses trade date accounting to recognise or derecognise financial assets.

The Group classifies its financial assets into one of the categories listed below, depending on the purpose for which the asset was acquired.

#### At fair value through profit or loss

Held for trading and financial assets are recognised at fair value through profit and loss. This category includes equity investments, debt investments and investments in limited partnerships. Investments in associated undertakings, which are held by the Group with a view to the ultimate realisation of capital gains, are also categorised as at fair value through profit or loss. This measurement basis is consistent with the fact that the Group's performance in respect of investments in equity investments, limited partnerships and associated undertakings is evaluated on a fair value basis in accordance with an established investment strategy.

Financial assets at fair value through profit or loss are initially recognised at fair value and any gains or losses arising from subsequent changes in fair value are presented in profit or loss in the statement of comprehensive income in the period which they arise.

#### At amortised cost

These assets are non-derivative financial assets with fixed and determinable payments that are not quoted in an active market. They arise principally through the provision of services to customers (trade receivables) and are carried at cost less provision for impairment.

#### Deposits

Deposits comprise longer-term deposits held with financial institutions with an original maturity of greater than three months and, in line with IAS 7 are not included within cash and cash equivalents. Cash flows related to investments in, and maturities of amounts held on deposit are presented within investing activities in the consolidated statement of cash flows. Interest income related to deposits is included within cashflows from operating activities.

#### Cash and cash equivalents

Cash and cash equivalents include cash in hand and short-term deposits held with financial institutions with an original maturity of three months or less. Interest income related to cash is included within cashflows from operating activities.

#### Financial liabilities

Current financial liabilities are composed of trade payables and other short-term monetary liabilities, which are recognised at amortised cost.

Non-current liabilities are composed of loans from Limited Partners of consolidated funds, outstanding amounts drawn down from a debt facility provided by the European Investment Bank, loan notes provided by Phoenix Group, carried interest plans liabilities, and other liabilities.

Unless otherwise indicated, the carrying amounts of the Group's financial liabilities are a reasonable approximation to their fair value. Non-current liabilities are recognised initially at fair value net of transaction costs incurred, and subsequently at amortised cost.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 12. Categorisation of financial instruments *continued*

<b>Financial assets</b>	<b>At fair value through profit or loss £m</b>	<b>Amortised cost £m</b>	<b>Total £m</b>
Equity investments	713.8	–	713.8
Debt investments	51.6	–	51.6
Limited and limited liability partnership interests	58.1	–	58.1
Assets held for sale	13.9	–	13.9
Trade and other receivables	–	6.3	6.3
Receivables on sale of debt and equity investments	20.1	–	20.1
Deposits	–	170.0	170.0
Cash and cash equivalents	–	115.6	115.6
<b>At 31 December 2024</b>	<b>857.5</b>	<b>291.9</b>	<b>1,149.40</b>
Equity investments	1,011.5	–	1,011.5
Debt investments	83.7	–	83.7
Limited and limited liability partnership interests	69.7	–	69.7
Trade and other receivables	–	8.2	8.2
Receivables on sale of debt and equity investments	9.2	–	9.2
Deposits	–	126.0	126.0
Cash and cash equivalents	–	100.9	100.9
<b>At 31 December 2023</b>	<b>1,174.1</b>	<b>235.1</b>	<b>1,409.2</b>

In light of the credit ratings applicable to the Group's cash and cash equivalent and deposits, (see note 3 for further details), we estimate expected credit losses on the Group's receivables to be under £0.1m and therefore not disclosed further (2023: less than £0.1m), similarly we have not presented an analysis of credit ratings of trade and other receivable and receivables on sale of debt and equity investments.

All net fair value gains in the year are attributable to financial assets designated at fair value through profit or loss on initial recognition (2023: all net fair value gains in the year are attributable to financial assets designated at fair value through profit or loss on initial recognition).

Interest income of £nil (2023: £nil) is attributable to financial assets classified as fair value through profit and loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 13. Portfolio: Equity and debt investments and Assets Held for Sale

### Accounting policy:

#### Fair value hierarchy

The Group classifies financial assets using a fair value hierarchy that reflects the significance of the inputs used in making the related fair value measurements. The level in the fair value hierarchy, within which a financial asset is classified, is determined on the basis of the lowest level input that is significant to that asset's fair value measurement. The fair value hierarchy has the following levels:

Level 1 – Quoted prices in active markets.

Level 2 – Inputs other than quoted prices that are observable, such as prices from market transactions.

Level 3 – One or more inputs that are not based on observable market data.

#### Equity investments

Fair value is the underlying principle and is defined as “the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date” (IPEV guidelines, December 2022).

Where the equity structure of a portfolio company involves different class rights in a sale or liquidity event, the Group takes these different rights into account when forming a view on the value of its investment.

#### Valuation techniques used

The fair value of unlisted securities is established using appropriate valuation techniques in line with December 2022 IPEV guidelines. The selection of appropriate valuation techniques is considered on an individual basis in light of the nature, facts and circumstances of the investment and in the expected view of market participants. The Group selects valuation techniques which make maximum use of market-based inputs. Techniques are applied consistently from period to period, except where a change would result in better estimates of fair value. Several valuation techniques may be used so that the results of one technique may be used as a cross check/corroboration of an alternative technique.

Valuation techniques used include:

- Quoted bid price: The fair values of quoted investments are based on bid prices in an active market at the reporting date.
- Funding transaction: The fair value of unquoted investments which have recently raised equity financing may be calculated with reference to the price of the recent investment. For investments for which the capital structure involves different class rights in a sale or liquidity event, a full scenario analysis via the use of the probability-weighted expected return method (“PWERM”) is used to calculate the implied values of the existing share classes.
- Other: Future market/commercial events: Scenario analysis is used, which is a forward-looking method that considers one or more possible future scenarios. These methods include simplified scenario analysis and relative value scenario analysis, which tie to the fully diluted (“post-money”) equity value. The PWERM method may be utilised for this valuation technique for investments which have an equity structure which involves different class rights in a sale or liquidity event.
- Other: Adjusted funding transaction price based on past performance – upwards/downwards: The milestone approach involves making an assessment as to whether there is an indication of change in fair value based on a consideration of the relevant milestones, typically agreed at the time of making the investment decision.
- Other: Discounted cash flows: deriving the value of a business by calculating the present value of expected future cash flows.
- Other: Revenue multiple: the application of an appropriate multiple to a performance measure (such as earnings or revenue) of the investee company in order to derive a value for the business.

The fair value indicated by a recent transaction is used to calibrate inputs used with valuation techniques including those noted above. At each measurement date, an assessment is made as to whether changes or events subsequent to the relevant transaction would imply a change in the investment's fair value. The price of a recent investment is not considered a standalone valuation technique (see further considerations below). Where the current fair value of an investment is unchanged from the price of a funding transaction, the Group refers to the valuation basis as ‘Funding transaction’.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 13. Portfolio: Equity and debt investments *continued*

### Price of recent investment as an input in assessing fair value

The Group considers that fair value estimates which are based primarily on observable market data will be of greater reliability than those based on assumptions. Given the nature of the Group's investments in seed, start-up and early-stage companies, where there are often no current and no short-term future earnings or positive cash flows, it can be difficult to gauge the probability and financial impact of the success or failure of development or research activities and to make reliable cash flow forecasts. Consequently, in many cases the most appropriate approach to fair value is a valuation technique which is based on market data such as the price of a recent investment, and market participant assumptions as to potential outcomes.

Calibrating such scenarios or milestones may result in a fair value equal to price of recent investment for a limited period of time. Often qualitative milestones provide a directional indication of the movement of fair value.

In applying a calibrated scenario or milestone-approach to determine fair value, consideration is given to performance against milestones that were set at the time of the original investment decision, as well as taking into consideration the key market drivers of the investee company and the overall economic environment. Factors that the Group considers include, inter alia, technical measures such as product development phases and patent approvals, financial measures such as cash burn rate and profitability expectations, and market and sales measures such as testing phases, product launches and market introduction.

Where the Group considers that there is an indication that the fair value has changed, an estimation is made of the required amount of any adjustment from the last price of recent investment.

Where a deterioration in value has occurred, the Group reduces the carrying value of the investment to reflect the estimated decrease. If there is evidence of value creation the Group may consider increasing the carrying value of the investment; however, in the absence of additional financing rounds or profit generation it can be difficult to determine the value that a market participant may place on positive developments given the potential outcome and the costs and risks to achieving that outcome and accordingly caution is applied.

### Debt investments

Debt investments are generally unquoted debt instruments which are convertible to equity at a future point in time. Such instruments are considered to be hybrid instruments containing a fixed rate debt host contract with an embedded equity derivative. The Group designates the entire hybrid contract at fair value through profit or loss on initial recognition and, accordingly, the embedded derivative is not separated from the host contract and accounted for separately. The price at which the debt investment was made may be a reliable indicator of fair value at that date depending on facts and circumstances. Any subsequent remeasurement will be recognised as changes in fair value in the statement of comprehensive income.

### Disclosure of unrealised and realised gains and losses

'Change in fair value of equity and debt investments' per the Group Income Statement represents unrealised revaluation gains and losses on the Group's portfolio of investment.

Gains on disposal of equity investments represents the difference between the fair value of consideration received and the carrying value at the start of the accounting period for the investment in question.

Changes in fair values of investments do not constitute revenue.

### Assets held for sale

During 2024, an element of the Group's investments in Artios Pharma Limited, Nexeon Limited and Mission Therapeutics Limited were included in a secondary sale of shares which was agreed within the year but which had not completed at year end. In addition, the Group had commenced selling a pre-specified proportion of its shares in Centessa Pharmaceuticals plc prior to year end, with the share disposal completing in early 2025. Accordingly these investments met the classification criteria as assets held for sale and were hence reclassified from Equity Investments to assets held for sale.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 13. Portfolio: Equity and debt investments *continued*

### Equity and Debt Investments within the Top 10 by holding value

The following table lists information on the debt and equity investments within the most valuable 10 portfolio company investments, representing 58% of the total portfolio value (2023: 61%). Detail on the performance of these companies is included in the portfolio review section of the Strategic Report.

The Group engages third-party valuation specialists to provide valuation support where required; during the period we commissioned third-party valuations on four out of the top 10 holdings (2023: 6).

Company name	Primary valuation basis	Fair value of Group holding at 31 Dec 2024 £m	Fair value of Group holding at 31 Dec 2023 £m
Oxford Nanopore Technologies plc	Quoted bid price	106.6	173.6
Istesso Limited *	DCF	91.9	113.8
Hysata Pty Ltd	Funding transaction < 12 months, PWERM	76.8	70.0
Oxa Autonomy Limited *	Adjusted funding – downwards	42.7	65.7
Hinge Health, Inc.*	Adjusted funding – downwards	36.6	34.0
First Light Fusion Limited *	Future event	25.0	64.9
Pulmocide Limited	Adjusted funding – upwards	23.1	19.2
Mission Therapeutics Limited	Funding transaction < 12 months, PWERM	22.5	15.8
Nexeon Limited	Future event	19.4	11.8
Artios Pharma Limited	Adjusted funding – downwards	17.4	17.4
<b>Total</b>		<b>462.0</b>	<b>586.2</b>

\* Third-party valuation specialists used for 31 December 2024 valuation. In these instances, the valuation basis is management's assessment of the primary valuation input used by the third-party valuation specialist.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 13. Portfolio: Equity and debt investments *continued*

	Level 1	Level 3		Total £m
	Equity investments in quoted spin-out companies £m	Unquoted equity investments in spin-out companies £m	Debt investments in unquoted spin-out companies £m	
<b>At 1 January 2023</b>	<b>228.7</b>	<b>892.1</b>	<b>38.1</b>	<b>1,158.9</b>
Investments	–	32.8	30.6	63.4
Transaction-based reclassifications	–	7.8	(7.8)	–
Other transfers between hierarchy levels	1.8	(1.8)	–	–
Disposals	(1.6)	(7.6)	(0.3)	(9.5)
Fees settled via equity	–	0.1	–	0.1
Other change in portfolio value	–	(6.8)	–	(6.8)
Change in fair value <sup>1</sup>	(24.5)	(103.7)	23.5	(104.7)
Change in FX <sup>1</sup>	(0.6)	(5.2)	(0.4)	(6.2)
<b>At 1 January 2024</b>	<b>203.8</b>	<b>807.7</b>	<b>83.7</b>	<b>1,095.2</b>
Investments	1.5	40.9	18.4	60.8
Transaction-based reclassifications	0.3	49.5	(49.8)	–
Other transfers between hierarchy levels	–	–	–	–
Disposals	(11.8)	(116.6)	(1.0)	(129.4)
Reclassification to Assets Held for Sale	(7.1)	(6.8)	–	(13.9)
Other change in portfolio value	–	(1.1)	(0.1)	(1.2)
Change in fair value <sup>1</sup>	(53.7)	(187.4)	1.7	(239.4)
Change in FX <sup>1</sup>	0.1	(5.5)	(1.3)	(6.7)
<b>At 31 December 2024</b>	<b>133.1</b>	<b>580.7</b>	<b>51.6</b>	<b>765.4</b>

<sup>1</sup> The total unrealised change in fair value and FX in respect of Level 3 investments was a loss of £192.5m (2023: loss of £85.8m).

Unquoted equity and debt investment are measured in accordance with IPEV guidelines with reference to the most appropriate information available at the time of measurement. Where relevant, several valuation approaches are used in arriving at an estimate of fair value for an individual asset.

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. Transfers between levels are then made as if the transfer took place on the first day of the period in question, except in the cases of transfers between tiers based on an initial public offering (“IPO”) of an investment wherein the changes in value prior to the IPO are calculated and reported in level 3, and those changes post are attributed to level 1.

Transfers between level 3 and level 1 occur when a previously unquoted investment undertakes an initial public offering, resulting in its equity becoming quoted on an active market. In the current period, transfers of this nature amounted to £nil (2023: £1.8m). Transfers between level 1 and level 3 would occur when a quoted investment’s market becomes inactive, or the portfolio company elects to delist. There have been no instances in the current year, totalling £nil (2023: one instance, totalling £nil).

Transfers between level 3 debt and level 3 equity occur upon conversion of convertible debt into equity. In the current year, transfers of this nature amounted to £49.8m (2023: £7.8m).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 13. Portfolio: Equity and debt investments *continued*

In the year, a transfer between level 3 debt and level 1 equity of £0.3m (2023: nil) occurred when a convertible loan issued to a listed company (Abliva AB) was converted into listed equity.

The Group has considered the impact of ESG and climate change issues on its portfolio, including performing a materiality assessment (see summary TCFD disclosures on page 32) which suggested the Group's portfolio has a relatively low level of climate change risk, and clear areas of opportunity via the Group's Cleantech investments. For an overview of the portfolio split by sector, please refer to the Managing Partner's Portfolio Review on page 17. We believe the Group's current valuation approach, reflects market participant assessment of the ESG and climate risks and opportunities of our portfolio.

### Valuation inputs and sensitivities

Unobservable inputs are typically portfolio company-specific and, based on a materiality assessment, are not considered significant either at an individual company level or in aggregate where relevant for common factors such as discount rates.

The sensitivity analysis table below has been prepared in recognition of the fact that some of the valuation methodologies applied by the Group in valuing the portfolio investments involve subjectivity in their significant unobservable inputs. Furthermore, given that many of the Group's portfolio are the early stage or growth stage of development, their valuations can be significantly impacted by factors including, but not limited to, the availability of financing, technical and commercial setbacks, market developments and regulatory approvals.

The table illustrates the possible impact on valuation of different sensitivities. The varying levels of sensitivity applied in the table below are intended to reflect the relative level of judgment in applying the valuation approach. Additional analysis for Istesso Limited and Hinge Health, Inc is provided after the table below, which merit specific focus in light of the specific facts and circumstances of these investments.

Valuation technique	Fair value of investments	Variable inputs	Variable input sensitivity	Positive impact		Negative impact		Fair value of investments
				£m	% of NAV	£m	% of NAV	
	<b>2024</b> £m		%	£m	% of NAV	£m	% of NAV	<b>2023</b> £m
Quoted	133.1	n/a	n/a	n/a	n/a	n/a	n/a	203.8
Funding transaction <12 months	217.8	<ul style="list-style-type: none"> <li>Inputs used in PWERM models to quantify the impact of funding transactions on subordinate securities including exit values and timelines.</li> </ul>	+/-5	10.9	1.1	(10.9)	(1.1)	187.9
Funding transaction >12 months	54.9		+/-5	2.7	0.3	(2.7)	(0.3)	162.7
Other: Future market/commercial events	60.7	<ul style="list-style-type: none"> <li>Estimated impact of future event</li> <li>Execution risk discount applied to future event (where positive)</li> <li>Scenario probabilities</li> <li>Discount rates</li> <li>Extent to which future event is indicative of facts and circumstances in existence at the balance sheet date</li> </ul>	+/-10	6.1	0.6	(6.1)	(0.6)	25.0
Other: Adjusted financing price based on past performance – Upwards*	35.9	<ul style="list-style-type: none"> <li>Company-specific milestone analysis resulting in a positive calibration adjustment versus the previous funding transaction price</li> </ul>	+/-10	3.6	0.4	(3.6)	(0.4)	99.9

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 13. Portfolio: Equity and debt investments *continued*

Valuation technique	Fair value of investments	Variable inputs	Variable input sensitivity	Positive impact		Negative impact		Fair value of investments
				£m	% of NAV	£m	% of NAV	
	<b>2024</b>							<b>2023</b>
	<b>£m</b>		<b>%</b>	<b>£m</b>	<b>% of NAV</b>	<b>£m</b>	<b>% of NAV</b>	<b>£m</b>
Other: Adjusted financing price based on past performance – Downwards*	<b>152.7</b>	<ul style="list-style-type: none"> <li>Company-specific milestone analysis resulting in a negative calibration adjustment versus the previous funding transaction price</li> </ul>	+/-10	15.3	1.6	(15.3)	(1.6)	203.9
Other: Revenue multiple*	<b>13.1</b>	<ul style="list-style-type: none"> <li>Estimate of future recurring revenues</li> <li>Selection of comparable companies</li> <li>Discount/premium to multiple</li> </ul>	+/-10	1.3	0.1	(1.3)	(0.1)	85.4
Other: DCF*	<b>97.2</b>	<ul style="list-style-type: none"> <li>Discount rate</li> <li>Clinical trial and drug approval success rates</li> <li>Estimate of likelihood, value and structure of a potential pharmaceutical partnership</li> <li>Estimate of addressable market</li> <li>Market share and royalty rates</li> <li>Probability estimation of liquidity event</li> <li>Estimate of forward exchange rates</li> </ul>	+/-20	19.4	2.0	(19.4)	(2.0)	126.6
<b>Total</b>	<b>765.4</b>			<b>59.3</b>	<b>6.1</b>	<b>(59.3)</b>	<b>(6.1)</b>	<b>1,095.2</b>

\* Due to the large number of inputs used in the valuation of these assets, unobservable inputs are below a size threshold that would warrant disclosure under IFRS 13, paragraph 93(d). Due to the large number of inputs, any range of reasonably possible alternative assumptions does not significantly impact the fair value and hence no valuation sensitivity is required under IFRS 13 paragraph 93(h)(ii).

Within the 'Other: DCF' category is Istesso Limited, in which we value the equity of IP Group's holding at £55.0m at 31 December 2024 (2023: £86.7m).

The Group was notified of the outcome of Istesso's Phase 2b trial for Leramistat in February 2025, reflecting information which Istesso Limited had received prior to 31 December 2024. As a result, the outcome of the trial was judged by management to be an adjusting post balance sheet event, reflecting facts and circumstances which were knowable at 31 December 2024.

The valuation of the equity in this company is based on a DCF model which assesses the value of the future cash flows arising from the continued development of the company's lead asset Leramistat via an additional focussed Phase 2b trial, followed by a pharmaceutical partnership, after which the drug would be taken into a Phase 3 trial followed by regulatory approval. This DCF model has been updated to reflect the outcome of Istesso's Phase 2b trial, with the main impact being a delay in market launch of the drug by 3½ years. The inputs in the DCF model include:

- the drug development timeline, based on the current development pathway which would see the drug being approved in mid-2031 if successful
- probability of Ph2b and Ph3 clinical trial success, based on comparable clinical trial success rates within autoimmune indications in Ph2 and Ph2 trials, with an estimate of the overall Ph2 rate split between Ph2a (now complete) and Ph2b
- the selection of relevant comparable deal sizes, based on comparable publicly announced deals within the autoimmune space
- the probability of securing a pharmaceutical partner post Ph2b
- Leramistat's sales profile based on a bottom up model which estimates the number of patients failing 1st line biological drug treatment, with the assumption that Leramistat would address this available patient population
- royalty rates receivable by Istesso of drug sales, based on comparable publicly announced deals within the autoimmune space

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 13. Portfolio: Equity and debt investments *continued*

- discount rate, based on the WACC of a large pharma partner which would take on development of the drug for Phase 3 and onwards
- The remaining costs to develop Leramistat up until the point of drug partnership

The valuation is sensitive to the inputs noted above. It is in the Group's view that the valuation would be impacted by a combination of changes to these inputs but to provide context to the sensitivity of each input to the valuation as required IAS 1, the table below sets out the impact on valuation of changing critical inputs in isolation.

Input	Assumption used	Sensitivity	Impact on IPG equity holding £m	Impact % of NAV <sup>1</sup>
Phase 2b success rate	63%	+/- 10%	£12m	+/- 1.2%
Selected pharma partner deal size	Bottom quartile	Median	£60m	+6.2%
Pharma partnership probability	90%	+/- 10%	£7m	+/- 0.7%
Royalty rate	15%	+/- 5%	£14m	+/- 1.4%

<sup>1</sup> Being impact on IPG equity holding as a proportion of the Group's Net Asset Value

Under the DCF methodology, in the event that the drug fails to progress to the market as a result of trial failures (at either Phase 2b or Phase 3), failure to receive regulatory approval or failure to partner with a pharmaceutical partner, the model assumes a zero value outcome.

The modelling approach focuses on a core drug development scenario as outlined above, however other outcomes such as the requirement to conduct more than one additional Phase 2b study are possible. In this outcome, the value of the programme would be materially lower than the concluded fair value estimate.

A valuation range was not calculated in respect of the Group's debt investment in Istesso Limited, which totals £36.9m (2023: £27.0m). In the event of a negative outcome in terms of the drug development pathway, this would be anticipated to have a material negative impact on the value of the Group's debt investment.

Within the 'Other: Adjusted financing price based on past performance – Downwards' category is Hinge Health, Inc, whose equity value is £36.6m at 31 December 2024 (2023: £34.0m). The valuation of this company is based on the last financing round price, with a downwards calibration adjustment applied. Our estimated range for the value of the Group's equity investment in Hinge Health, Inc. as at 31 December 2024 is £30m to £38m (2023: £36m to £50m). In March 2025, the company filed a registration statement with the US SEC for an intended NYSE IPO; as at the publication date of the accounts the outcome and pricing range of the IPO is uncertain, but could result in a material post year end movement in the Group's valuation.

	2024 £m	2023 £m
<b>Change in fair value in the year (including fx)</b>		
Fair value gains	42.7	97.4
Fair value losses	(288.8)	(208.3)
<b>Total</b>	<b>(246.1)</b>	<b>(110.9)</b>

The Company's interests in subsidiary undertakings are listed in note 11 to the Company's financial statements.

## Currency risk

Exposure to currency risk through asset allocation, which is calculated by reference to the currency in which the asset is quoted, is shown below. A +/-1% sensitivity has been included to demonstrate the effect of fluctuations in foreign exchange rates. 1% is considered to be appropriate due to the stable currencies in which we hold cash.

	At 31 December 2024	
	Investments £m	Sensitivity +/- 1% £m
<b>US dollar</b>	<b>96.8</b>	<b>1.0</b>
<b>Australian dollar</b>	<b>94.0</b>	<b>0.9</b>
<b>Euro</b>	<b>12.9</b>	<b>0.1</b>
<b>Swedish Krona</b>	<b>5.7</b>	<b>0.1</b>
<b>Total</b>	<b>209.4</b>	<b>2.1</b>

	At 31 December 2023	
	Investments £m	Sensitivity +/- 1% £m
US dollar	85.5	0.8
Australian dollar	99.9	1.0
Euro	6.7	0.1
Swedish Krona	1.6	–
<b>Total</b>	<b>193.7</b>	<b>1.9</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 14. Portfolio: Limited and limited liability partnership interests

### Accounting Policy:

Valuations in respect of Limited and Limited Liability Funds are based on IP Group's share of the Net Asset Value of the fund as per the audited financial statements prepared by the fund manager. The key judgments in the preparation of these accounts relate to the valuation of unquoted investments. Management conduct an analysis of the appropriateness of valuations of specific equity and debt investments in portfolio companies held within the fund in question. In making these assessments, the Group has applied a valuation methodology consistent with that set out in note 13. Where a significant divergence from the Group's valuation methodology is identified, an adjustment is made to the fund manager NAV statement to bring the value of the fund investment in line with the Group's accounting policy in respect of debt and equity investments.

Investments in these Limited and Limited Liability Partnerships are recognised at fair value through profit and loss in accordance with IFRS 9.

'Changes in fair value of Limited Partnership investments' per the Group Income Statement represents revaluation gains and losses on the Group's investment in Limited Partnership funds.

Fund interests are valued on a net asset basis, estimated based on the managers' NAVs. Manager's NAVs apply valuation techniques consistent with IFRS and are subject to audit. Where audited accounts are received in arrears of the publication of the Group's results hence these are marked as unaudited in the table below, however a retrospective review of audited accounts versus earlier unaudited results is carried out. Managers' NAVs are usually published quarterly, two to four months after the quarter end. The below table analyses the fund valuations with reference to manager NAV dates used at 31 December.

Limited & Limited Liability Partnerships	Functional currency	Status	2024 £m	2023 £m
IPG Cayman Fund L.P. (Longview Innovation)	USD	Unaudited	37.7	46.0
UCL Technology Fund L.P.	GBP	Unaudited	18.0	20.7
Technikos LLP	GBP	Unaudited	2.4	3.0
<b>Total</b>			<b>58.1</b>	<b>69.7</b>

We reviewed the underlying valuation methodologies adopted by our Fund managers for all Fund investments of material value. Following our review of valuation methodologies we were satisfied that the techniques utilised were appropriate.

Limited & Limited Liability Partnerships movements in year	£m
<b>At 1 January 2023</b>	<b>99.6</b>
Investments during the year	9.8
Distribution from Limited Partnership funds	(0.9)
Change in fair value during the year	(36.5)
Currency revaluation	(2.3)
<b>At 1 January 2024</b>	<b>69.7</b>
Investments during the year	2.2
Distribution from Limited Partnership funds	(1.2)
Change in fair value during the year	(13.1)
Currency revaluation	0.5
<b>At 31 December 2024</b>	<b>58.1</b>

The Group considers interests in limited and limited liability partnerships to be level 3 in the fair value hierarchy throughout the current and previous financial years.

The valuation of the Group's interests in limited and limited liability partnerships is a significant accounting estimate, as management has applied judgment in considering whether to adjust the NAV estimates provided by the fund manager. This assessment was based on an analysis of the appropriateness of valuations of specific equity and debt investments in portfolio companies held within the fund in question. In making these assessments, the Group has applied a valuation methodology consistent with that set out in note 13. Unobservable inputs are portfolio company-specific and, based on a materiality assessment, are not considered individually significant either at an individual company level or in aggregate where relevant for common factors such as discount rates.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 15. Gain/(loss) on disposal of equity and debt investments

	2024 £m	2023 £m
Proceeds from sale of equity and debt investments	182.2	37.7
Movement in amounts receivable on sale of debt and equity investments	10.9	(39.0)
Carrying value of investments	(129.4)	(9.5)
<b>Gain/(loss) on disposal</b>	<b>63.7</b>	<b>(10.8)</b>

Gain/(loss) on disposal of investments is calculated as disposal proceeds plus deferred and contingent consideration receivable in respect of the sale, less the carrying value of the investment at the point of disposal.

The subsequent receipt of deferred and contingent consideration amounts is reflected in the above table as a positive amount of disposal proceeds and a negative movement in amounts receivable on sale of debt and equity investments, resulting in no overall movement in profit on disposal.

## 16. Trade and other receivables

Current assets	2024 £m	2023 £m
Trade debtors	0.7	0.6
Prepayments	0.8	0.8
Interest receivable	1.3	2.9
Other receivables	3.5	3.9
<b>Trade and other receivables</b>	<b>6.3</b>	<b>8.2</b>

The Directors consider the carrying amount of trade and other receivables at amortised cost to approximate their fair value. All receivables are interest free, repayable on demand and unsecured.

## 17. Receivable on sale of debt and equity investments

### Accounting Policy:

Consideration in respect of the sale of debt and equity investments may include elements of deferred consideration where payment is received at a pre-agreed future date, and/or elements of contingent consideration where payment is received based on, for example, achievement of specific drug development milestones. In such instances, these amounts are designated at fair value through profit and loss on initial recognition. Any subsequent remeasurement will be recognised as changes in fair value in the statement of comprehensive income.

	2024 £m	2023 £m
Deferred and contingent consideration (non-current)	18.5	7.8
Deferred and contingent consideration (current)	1.6	1.4
<b>Total deferred and contingent consideration</b>	<b>20.1</b>	<b>9.2</b>

The following table summarises the primary valuation basis used to value the deferred and contingent consideration:

Investment	Primary Valuation Basis	2024 £m	2023 £m
Featurespace	Discounted sale amount	11.1	–
Oxular	Discounted sale amount	1.6	–
Kynos	Discounted sale amount	0.5	–
Garrison	Discounted sale amount	0.7	–
Enterprise Therapeutics Holdings Limited	Probability-weighted DCF model reflecting potential milestone payments	4.4	7.7
Zhipp Limited	Probability-weighted DCF model reflecting potential milestone payments	1.8	1.5
<b>Total</b>		<b>20.1</b>	<b>9.2</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 18. Trade and other payables

	2024 £m	2023 £m
<b>Current liabilities</b>		
Trade payables	0.3	0.5
Social security expenses	0.6	0.6
Bonus accrual	2.7	3.0
Lease liability	1.0	1.4
Payable to Imperial College and other third parties under revenue share obligations	3.4	6.9
Other accruals and deferred income	4.5	4.7
<b>Trade and other payables</b>	<b>12.5</b>	<b>17.1</b>

## 19. Borrowings and Loans from Limited Partners of consolidated funds

	2024 £m	2023 £m
<b>Current liabilities</b>		
Borrowings	6.3	6.3
<b>Total</b>	<b>6.3</b>	<b>6.3</b>

	2024 £m	2023 £m
<b>Non-current liabilities</b>		
Loans drawn down from the Limited Partners of consolidated funds	19.9	19.8
Borrowings	122.8	128.9
<b>Total</b>	<b>142.7</b>	<b>148.7</b>

## Loans drawn down from the Limited Partners of consolidated funds

### Accounting Policy:

The Group consolidates the assets of a co-investment fund, IP Venture Fund II LP, which it manages. Loans from third parties of consolidated funds represent third-party LP loans into this partnership. Under the terms of the Limited Partnership Agreement, these loans are repayable only upon these funds generating sufficient realisations to repay the Limited Partners. Management anticipates that the funds will generate the required returns and consequently recognises the full associated liabilities.

The classification of these loans as non-current reflects the forecast timing of returns and subsequent repayment of loans, which is not anticipated to occur within one year.

As at 31 December, loans from Limited Partners of consolidated funds comprised loans into IP Venture Fund II LP £19.9m (2023: £19.8m).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 19. Borrowings and Loans from Limited Partners of consolidated funds continued

### Borrowings

#### Accounting Policy:

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowing using the effective interest rate method. Costs incurred in the course of issuing additional debt are recognised on the balance sheet and charged to the income statement on a straight line basis over the term of the borrowings.

In 2023, the Group drew a second £60m tranche of the £120m private placing it agreed with investors including Phoenix Group in 2022. The terms of the facilities are summarised below:

Description	Initial amount	Outstanding amount	Date drawn	Interest rate	Repayment commencement date & terms
EIB Facility	£50.0m	£9.4m	Feb 2017	Fixed 3.026%	Repayable over 8 years from Jul 2018
IP Group Series A Notes	£20.0m	£20.0m	Dec 2022	Fixed 5.230%	Repayable in full in Dec 2027
IP Group Series B Notes	£20.0m	£20.0m	Dec 2022	Fixed 5.210%	Repayable in full in Dec 2028
IP Group Series C Notes	£20.0m	£20.0m	Dec 2022	Fixed 5.300%	Repayable in full in Dec 2029
IP Group Series D Notes	£20.0m	£20.0m	Jun 2023	Fixed 5.230%	Repayable in full in Dec 2027
IP Group Series E Notes	£20.0m	£20.0m	Jun 2023	Fixed 5.210%	Repayable in full in Dec 2028
IP Group Series F Notes	£20.0m	£20.0m	Jun 2023	Fixed 5.300%	Repayable in full in Dec 2029
<b>Total</b>	<b>£170.0m</b>	<b>£129.4m</b>			

Loans totalling £129.4m (2023: £135.6m) are subject to fixed interest rates and are recognised at amortised cost. The fair value of these loans as at 31 December 2024 is £118.7m (2023: £125.3m).

In December 2022, the Group drew down the first Tranche of £60m of a £120m loan Note Purchase Agreement ("NPA") and a further £60m in June 2023. The NPA contains the following covenants:

- Total equity must be at least £500m as at the Group's 30 June and 31 December reporting dates
- Gross debt less restricted cash must not exceed 25% of total equity as at the Group's 30 June and 31 December reporting dates
- The Group must maintain cash and cash equivalents of not less than £25m at any time

Breach of any of the above covenants constitutes default under the NPA.

The NPA also includes a 'Cash Trap' mechanism, which is triggered based on conditions listed below. In the event of the Cash Trap being triggered, the Group is not permitted to pay or declare a dividend or purchase any of its shares. In addition, investments are restricted to £2.5m per calendar quarter other than those legally committed to. The Group is also required to place the net proceeds of all realisations (over a threshold of £1m) into a blocked bank account. Entering a Cash Trap does not constitute a default under the NPA.

A Cash Trap period is entered if any of the following conditions are breached.

- Total equity must be at least £750m as at the Group's 30 June and 31 December reporting dates
- Gross debt less restricted cash must not exceed 20% of total equity as at the Group's 30 June and 31 December reporting dates
- The Group must maintain cash and cash equivalents of not less than £50m at any time.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 19. Borrowings and Loans from Limited Partners of consolidated funds *continued*

A cash trap period can be remedied by:

- Transferring sufficient cash into the restricted cash account so that gross debt less restricted cash is less than 20% of total equity
- If because of low equity of high leverage, once these are restored at a subsequent 30 June or 31 December measurement date
- If because of low liquidity, once two month-ends have passed with liquidity > £50m

The EIB loan contains a debt covenant requiring that the ratio of the total fair value of IP Group investments plus cash and qualifying liquidity to debt should at no time fall below 6:1. The Group must maintain an amount of unencumbered funds freely available to the Group set with reference to the outstanding EIB facility which was £9.4m at December 2024 (2023: £15.6m). The loan also stipulates that on any date, the aggregate of all amounts scheduled for payment to the EIB in the following six months should be kept in a separate bank account, which totalled £3.2m on 31 December 2024 (2023: £3.3m). The Group is required to maintain a minimum cash balance of £5.6m (2023: £9.4m).

The Group closely monitors that the covenants are adhered to on an ongoing basis and has complied with these covenants throughout the year. The Group will continue to monitor the covenants' position against forecasts and budgets to ensure that it operates within the prescribed limits.

The NPA includes fixed and floating charges over the Company's assets, details of which are available on Companies House. The EIB loan includes certain guarantees over assets held by Touchstone Innovations Business LLP.

The maturity profile of the borrowings including undiscounted cash flows and fixed interest is as follows:

	2024 £m	2023 £m
Due within 6 months	6.2	6.4
Due 6 to 12 months	6.3	6.4
Due 1 to 5 years	141.8	112.4
Due after 5 years	–	42.1
<b>Total<sup>1</sup></b>	<b>154.3</b>	167.3

The maturity profile of the borrowings was as follows:

	2024 £m	2023 £m
Due within 6 months	3.1	3.1
Due 6 to 12 months	3.1	3.1
Due 1 to 5 years	123.2	89.4
Due after 5 years	–	40.0
<b>Total<sup>1</sup></b>	<b>129.4</b>	135.6

<sup>1</sup> These are gross amounts repayable and exclude amortised costs of £0.4m (2023: £0.4m) incurred on obtaining the Phoenix loans, these are amortised on a straight-line basis over the life of the borrowings.

A reconciliation in the movement in borrowings is as follows:

	2024 £m	2023 £m
At 1 January	135.2	81.4
Repayment of debt	(6.1)	(6.2)
New borrowings	–	60.0
<b>At 31 December</b>	<b>129.1</b>	135.2

There were no non-cash movements in debt.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 20. Share capital

### Accounting Policy:

Financial instruments issued by the Group are treated as equity if the holders have only a residual interest in the Group's assets after deducting all liabilities. The objective of the Group is to manage capital so as to provide shareholders with above-average returns through capital growth over the medium-to-long term. The Group considers its capital to comprise its share capital, share premium, merger reserve and retained earnings.

	2024		2023	
	Number	£m	Number	£m
<b>Issued and fully paid:</b>				
<b>Ordinary shares of 2p each</b>				
At 1 January	1,063,188,005	21.3	1,063,188,005	21.3
Shares purchased and cancelled	(20,609,101)	(0.4)	–	–
Cancellation of shares held in Treasury	(67,292,636)	(1.4)	–	–
<b>Share capital at 31 December</b>	<b>975,286,268</b>	<b>19.5</b>	1,063,188,005	21.3
<b>Existing treasury shares at 1 January</b>	<b>(26,493,520)</b>	<b>(0.5)</b>	(28,110,373)	(0.6)
Purchase of treasury shares	(45,280,605)	(0.9)	(220,302)	–
Cancellation of treasury shares	67,292,636	1.3	–	–
Shares transferred out of treasury for SAYE	–	–	285,335	–
Settlement of employee share-based payments	4,481,489	0.1	1,551,820	–
<b>Outstanding at 31 December</b>	<b>975,286,268</b>	<b>19.5</b>	1,036,694,485	20.7

The Company has one class of ordinary shares with a par value of 2p (“Ordinary Shares”) which carry equal voting rights, equal rights to income and distributions of assets on liquidation, or otherwise, and no right to fixed income.

During 2024, the Company purchased 45,280,605 ordinary shares (2023: 200,302 ordinary shares), with an aggregate value of £0.9m (2023: £0.2k) which were initially held in treasury. These were subsequently used to settle employee share based payments of 4,481,489 prior to the remainder being cancelled in September 2024 along with a further 26,493,520 treasury shares held at the start of the year which were also cancelled at the same time. A further 20,609,101 shares with an aggregate value of £0.5m were purchased in the period September to December 2024 and immediately cancelled. The nominal value of the cancelled treasury share has been added to the Capital redemption reserve.

Retained profits have been reduced by £29.6m (2023: £0.2k), being the net consideration paid for the purchase of treasury, including expenses directly relating to the treasury share purchase.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 21. Share-based payments

In 2024, the Group continued to incentivise employees through its RSP and AIS. The main terms of both are described in more detail in the Directors' Remuneration Report on pages 78 to 100.

### Deferred bonus share plan ("DBSP")

Awards made to employees under the Group's AIS above a certain threshold include 50% deferred into IP Group equity through the grant of nil-cost options under the Group's DBSP. The number of nil-cost options granted under the Group's DBSP is determined by the share price at the vesting date. The DBSP options are subject to further time-based vesting over two years (typically 50% after year one and 50% after year two).

An analysis of movements in the DBSP options outstanding is as follows:

	Number of options 2024	Weighted-average exercise price 2024	Number of options 2023	Weighted-average exercise price 2023
At 1 January	2,153,379	–	2,556,682	–
AIS deferral shares award during the year	1,578,434	–	1,120,292	–
Exercised during the year	(1,593,233)	–	(1,523,595)	–
<b>At 31 December</b>	<b>2,138,580</b>	<b>–</b>	<b>2,153,379</b>	<b>–</b>
Exercisable at 31 December	–	–	–	–

1,643,895 shares were transferred from treasury in respect of DBSP scheme during the year, comprising 1,593,233 DBSP options exercised on 23rd April 2024 and a further 50,662 shares relating to dividends accrued on those options.

The options outstanding at 31 December 2024 had an exercise price of £nil (2023: £nil) and a weighted-average remaining contractual life of 0.6 years (2023: 0.5 years).

The weighted average share price at the date of exercise for share options exercised in 2024 was 48.3p (2023: 61.0p).

As the 2024 AIS financial performance targets were met and as the number of DBSP options to be granted in order to defer such elements of the AIS payments as are required under our remuneration policy are based on a percentage of employees' salary, the share-based payments line includes the associated share-based payments expense incurred in 2024.

### IP Group Restricted Share Plan ("RSP")

As set out in the Remuneration Policy approved by shareholders in 2022, a Restricted Share Plan was introduced in 2022 to replace the previous LTIP structure. Vesting of these awards will take place over a three-year period, with any awards that vest subject to a further two-year holding period. For 2022, 2023 and 2024 awards, a financial underpin exists which may result in awards lapsing if NAV per share on the vesting date is lower than 100% of NAV per share on the award date, after making appropriate adjustments for dividends. Further information on the Group's RSP is set out in the Directors' Remuneration Report on page 91.

The 2024 RSP awards were made on 23 April 2024. The awards will ordinarily vest on 31 March 2026, to the extent that the performance underpin has been met.

The movement in the number of shares conditionally awarded under the RSP is set out below:

	Number of options 2024	Weighted-average exercise price 2024	Number of options 2023	Weighted-average exercise price 2023
At 1 January	10,238,863	–	3,458,509	–
Forfeited during the year	(1,362,198)	–	(16,367)	–
Notionally awarded during the year	8,833,966	–	6,796,721	–
<b>At 31 December</b>	<b>17,710,631</b>	<b>–</b>	<b>10,238,863</b>	<b>–</b>
Exercisable at 31 December	–	–	–	–

The options outstanding at 31 December 2024 had an exercise price of £nil (2023: £nil) and a weighted-average remaining contractual life of 3.5 years (2023: 3.9 years).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 21. Share-based payments *continued*

The fair value of the RSP shares notionally awarded in 2024 was calculated using the Finnerty pricing model with the following key assumptions:

	2024	2023
IP Group share price as of valuation date	£0.539	£0.602
Exercise price	£nil	£nil
Indicated discount for lack of marketability	15%	15%
Adjusted probability assigned for performance conditions	20%	20%
Fair value at grant date	£0.21	£0.24

### Pre-2022 IP Group Long-Term Incentive Plan (“LTIP”)

Awards under the historic LTIP scheme took the form of conditional awards of ordinary shares of 2p each in the Group which vest over the prescribed performance period to the extent that performance conditions have been met. The Remuneration Committee imposes objective conditions on the vesting of awards and these take into consideration the guidance of the Group’s institutional investors from time to time. General information on the Group’s LTIP is set out in the Directors’ Remuneration Report on page 94.

The 2021 LTIP awards were made on 6 May 2021. Following the completion of the performance period on 31 March 2024, the relevant performance targets for vesting of the 2021 LTIP award were not met and these options lapsed in full.

Following the lapse of the 2021 awards noted above, and the exercise of vested options under the 2019 scheme during the year, the only remaining outstanding conditionally awarded shares relate to the 2020 awards, which vested in 2023 and will be exercised in the first half of 2025 following completion of their two-year post-vesting mandatory holding period.

The movement in the number of shares conditionally awarded under the LTIP is set out below:

	Number of options 2024	Weighted-average exercise price 2024	Number of options 2023	Weighted-average exercise price 2023
At 1 January	7,728,493	–	14,490,039	–
Lapsed during the year	(3,950,040)	–	(6,759,628)	–
Forfeited during the year	(10,907)	–	(1,918)	–
Exercised during the year	(2,703,041)	–	–	–
<b>At 31 December</b>	<b>1,064,505</b>	<b>–</b>	<b>7,728,493</b>	<b>–</b>
Exercisable at 31 December	1,064,505	–	4,596,014	–

2,837,594 shares were transferred from treasury in respect of the exercise of 2019 LTIPs, comprising 2,703,041 conditionally awarded shares exercised on 23rd April 2024 and a further 134,553 shares relating to dividends accrued on those conditionally awarded shares.

The conditionally awarded shares at 31 December 2024 had an exercise price in the range of £nil (2023: £nil) and a weighted-average remaining contractual life of 0.3 years (2023: 0.8 years).

The fair value charge recognised in the statement of comprehensive income during the year in respect of all share-based payments, including the DBSP, RSP and LTIP was £1.9m (2023: £2.6m).

The aggregate gain made by Directors on the exercise of options in the year was £0.4m (2023: £0.2m).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 22. Long-term incentive carry scheme – Carried interest plan liability

### Accounting Policy:

The Group operates a number of Long-Term Incentive Carry Schemes (“LTICS”) for eligible employees which may result in payments to scheme participants relating to returns from investments.

Under the Group’s LTICS arrangements, a profit-sharing mechanism exists whereby if a specific vintage (being a group investment made within a defined time period) delivers returns in excess of the base cost of investments together with an agreed hurdle rate, scheme participants receive a share of excess returns. Of the Group’s total equity and debt investments 65% are included in LTICS arrangements (2023: 69.0%).

The calculation of the liability in respect of the Group’s LTICS is derived from the fair value estimates for the relevant portfolio investments and does not involve significant additional judgement (although the fair value of the portfolio is a significant accounting estimate). The actual amounts of carried interest paid will depend on the cash realisations of individual vintages, and valuations may change significantly in the next financial year. Movements in the liability are recognised in the consolidated statement of comprehensive income.

	<b>2024</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>
At 1 January	<b>38.0</b>	44.1
Credit for the year	<b>(7.9)</b>	(4.7)
Payments made in the year	<b>(2.5)</b>	(1.3)
Foreign exchange rate movement	<b>(0.3)</b>	(0.1)
<b>At 31 December</b>	<b>27.3</b>	38.0

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 23. Related party transactions

The Group has various related parties arising from its key management, subsidiaries and equity stakes in portfolio companies.

### A) Key management transactions

#### (i) Key management personnel transactions

The following key management held shares in the following spin-out companies as at 31 December 2024:

Director/PDMR	Company name	Number of shares held at 1 January 2024	Number of shares acquired/ (disposed of) in the period	Number of shares held at 31 December 2024	%
<b>Greg Smith</b>	Alesi Surgical Limited	2	–	2	<0.1%
	Crysalin Limited (dissolved)	149	–	–	–
	Emdot Limited	4	–	4	0.23%
	Istesso Limited	313,425	–	313,425	0.37%
	Itaconix plc <sup>1</sup>	90	–	90	<0.1%
	Mirriad Advertising plc	16,667	–	16,667	<0.1%
	Oxa Autonomy Limited	8	–	8	<0.1%
	Oxford Nanopore Technologies plc	27,008	–	27,008	<0.1%
	Rio AI Limited	144,246	–	144,246	<0.1%
	Surrey Nanosystems Limited	88	–	88	<0.1%
	Tissue Regenix Group plc	500	–	500	<0.1%
	Xeros Technology plc	13	–	13	<0.1%
<b>David Baynes</b>	Alesi Surgical Limited	4	–	4	<0.1%
	Arkivum Limited	377	–	377	<0.1%
	Creavo Medical Technologies Limited (dissolved)	46	–	–	–
	Mirriad Advertising plc	16,667	–	16,667	<0.1%
	Oxford Nanopore Technologies plc	2,784	–	2,784	<0.1%
	Ultraleap Holdings Limited	2,600	–	2,600	<0.1%
	Zeetta Networks Limited	424	–	424	0.11%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 23. Related party transactions *continued*

Director/PDMR	Company name	Number of shares held at 1 January 2024	Number of shares acquired/ (disposed of) in the period	Number of shares held at 31 December 2024	%
Mark Reilly	Actual Experience plc <sup>2</sup>	28,000	–	28,000	<0.1%
	AudioScenic Limited	53	–	53	<0.1%
	Bramble Energy Limited	16	–	16	<0.1%
	Diffblue Limited	8,038	–	8,038	<0.1%
	Itaconix plc <sup>1</sup>	7,547	–	7,547	<0.1%
	Mirriad Advertising plc	66,666	–	66,666	<0.1%
	Mixergy Limited	126	–	126	<0.1%
	Oxa Autonomy Ltd	8	–	8	<0.1%
	Ultraleap Holdings Limited	1,700	–	1,700	<0.1%

From 13 May 2024, Sam Williams ceased to act as a Person Discharging Management Responsibility. Shares he held in spin-out companies up to this date are disclosed as follows:

Director/PDMR	Company name	Number of shares held at 1 January 2024	Number of shares acquired/ (disposed of) in the period	Number of shares held at 13 May 2024	%
Sam Williams	Accelercomm Limited	127	–	127	<0.1%
	Alesi Surgical Limited	1	–	1	<0.1%
	Centessa Pharmaceuticals plc	3,247	–	3,247	<0.1%
	Creavo Medical Technologies Limited (dissolved)	23	–	23	<0.1%
	Genomics plc	333	–	333	<0.1%
	Ibex Innovations Limited	1,701	–	1,701	<0.1%
	Istesso Limited	7,048,368	–	7,048,368	8.29%
	Microbiotica Limited	7,000	–	7,000	<0.1%
	Mirriad Advertising plc	3,333	–	3,333	<0.1%
	Oxa Autonomy Ltd	3	–	3	<0.1%
	Oxehealth Limited	65	–	65	<0.1%
	Oxford Nanopore Technologies plc	25,609	–	25,609	<0.1%
	Topivert Limited <sup>2</sup>	1,000	–	1,000	<0.1%
	Ultraleap Holdings Limited	558	–	558	<0.1%

<sup>1</sup> Opening position restated to reflect share consolidation.

<sup>2</sup> Company being closed down.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 23. Related party transactions *continued*

### Policy for Executive Director holdings in portfolio companies

The policy for Executive Director shareholdings in portfolio companies specifies:

- New direct investments in portfolio companies by Executive Directors are prohibited, with the exception of the take-up of pre-emption rights which relate to existing portfolio company shareholdings. Both Mr Smith and Mr Baynes are covered by this policy.
- Mr Smith and Mr Baynes have voluntarily submitted to an additional binding condition such that any net proceeds received as a result of realisations from direct holdings in portfolio companies that exceed £250,000 will be used to purchase shares in IP Group, until such time as they meet the Minimum Shareholding Requirement set for their role (currently 350% of annual salary for Mr Smith, 250% for Mr Baynes).

### (ii) Key management personnel compensation

Key management personnel compensation comprised the following:

	2024 £000	2023 £000
Short-term employee benefits <sup>1</sup>	2,176	3,091
Post-employment benefits <sup>2</sup>	48	108
Share-based payments <sup>3</sup>	615	1,161
<b>Total</b>	<b>2,839</b>	<b>4,360</b>

<sup>1</sup> Represents key management personnel's base salaries, benefits including cash in lieu of pension where relevant, and the cash-settled element of the Annual Incentive Scheme.

<sup>2</sup> Represents employer contributions to defined contribution pension and life assurance plans.

<sup>3</sup> Represents the accounting charge for share-based payments, reflecting LTIP and DBSP options currently in issue as part of these schemes. See note 21 for a detailed description of these schemes.

## B) Portfolio companies

### (i) Services

The Group earns fees from the provision of business support services and corporate finance advisory services to portfolio companies in which the Group has an equity stake. Through the lack of control over portfolio companies these fees are considered arm's length transactions. The following amounts have been included in respect of these fees:

	2024 £m	2023 £m
<b>Statement of comprehensive income</b>		
Revenue from services	–	–

	2024 £m	2023 £m
<b>Statement of financial position</b>		
Trade receivables	0.1	0.1

### (ii) Investments

The Group makes investments in the equity and debt of unquoted and quoted investments where it does not have control but may be able to participate in the financial and operating policies of that company. It is presumed that it is possible to exert significant influence when the equity holding is greater than 20%. The Group has taken the Venture Capital Organisation exception as permitted by IAS 28 and not recognised these companies as associates, but they are related parties. The total amounts included for investments where the Group has significant influence but not control are as follows:

	2024 £m	2023 £m
<b>Statement of comprehensive income</b>		
Net portfolio (losses)/gains	(125.7)	31.7

	2024 £m	2023 £m
<b>Statement of financial position</b>		
Equity and debt investments	345.8	566.4

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 23. Related party transactions *continued*

### C) Subsidiary companies

Subsidiary companies that are not 100% owned either directly or indirectly by the parent Company have intercompany balances (which are eliminated at a consolidated level) with other Group companies which are disclosed as follows:

	2024 £m	2023 £m
Intercompany balances with other Group companies	2.2	2.1

These intercompany balances represent funding loans provided by Group companies that are interest free, repayable on demand and unsecured.

## 24. Capital management

The Group's key objective when managing capital, as set out in note 20, is to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and employees for other stakeholders. The Group sets the amount of capital in proportion to risk. The Group manages the capital structure, and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of its underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of issued share capital, issue or repay debt and dispose of interests in portfolio companies.

During 2024, the Group's strategy, which was unchanged from 2023, was to maintain an appropriate level of cash and short-term deposit balances in line with the Group's capital allocation plans, whilst having sufficient cash reserves to meet working capital requirements in the foreseeable future.

The Group has external borrowings with associated covenants that are described in note 19. These include covenants around the Group's minimum equity and maximum debt/equity ratio. Consideration is given to the level of headroom against these covenants as part of the Group's capital allocation process where planning corporate actions such as dividends and share buybacks, which have an impact on the headroom level.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 25. Capital commitments

### Commitments to Limited Partnerships

Pursuant to the terms of their Limited Partnership agreements, the Group has committed to invest the following amounts into Limited Partnerships as at 31 December 2024:

	Year of commencement of commitment	Commitment £m	Invested to date £m	Remaining commitment £m
<b>Year ended 31 December 2024</b>				
IP Venture Fund II LP	2013	10.0	10.0	–
UCL Technology Fund LP	2016	24.8	23.4	1.4
<b>Total at 31 December 2024</b>		<b>34.8</b>	<b>33.4</b>	<b>1.4</b>

	Year of commencement of commitment	Commitment £m	Invested to date £m	Remaining commitment £m
<b>Year ended 31 December 2023</b>				
IP Venture Fund II LP	2013	10.0	9.9	0.1
UCL Technology Fund LP	2016	24.8	23.2	1.6
<b>Total at 31 December 2023</b>		<b>34.8</b>	<b>33.1</b>	<b>1.7</b>

## 26. Dividends and share buyback

	2024 pence per share	£m	2023 pence per share	£m
Ordinary shares:				
Interim dividend	–	–	0.51	5.3
Final dividend	–	–	0.76	7.7
Dividends paid to equity owners in the financial year	–	–	1.27	13.0
Proposed final dividend at financial year end	–	–	–	–

There were no dividends paid or proposed in 2024 (2023: £13.0m dividends; £13.0m settled in cash). Due to the limited take up of scrip dividends the scheme was discontinued in prior years.

### Share buyback

On 18 December 2023 the Group initiated a share buyback of up to £20 million. This £20m share buyback tranche completed in September 2024. On 7th October 2024 it was announced to increase the Group's share buyback programme by a further £10m which was completed on 7 January 2025.

In January 2025 the Group launched a further extension by up to £40m of its buyback programme, which had been announced in December 2024. In March 2025, as part of the Group's preliminary results statement, the Group announced intention to extend buyback programme by a further £10m.

The Board remains committed to making regular cash returns to shareholders from realisations. In future these regular cash returns will normally be made in the form of share buybacks when the share price discount to NAV exceeds 20%. Regular dividend payments will be suspended under such conditions, including consideration of any final dividend for 2024.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 27. Alternative performance measures (“APM”)

IP Group management believes that the alternative performance measures included in this document provide valuable information to the readers of the financial statements as they enable the reader to identify a consistent basis for comparing the business’ performance between financial periods and provide more detail concerning the elements of performance which the managers of the Group are most directly able to influence or are relevant for an assessment of the Group. They also reflect an important aspect of the way in which operating targets are defined and performance is monitored by the Directors. These measures are not defined by IFRS and therefore may not be directly comparable with other companies’ APMs, including those in the Group’s industry. APMs should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements.

The Directors believe that these APMs assist in providing additional useful information on the underlying trends, performance and position of the Group. Consequently, APMs are used by the Directors and management for performance analysis, planning, reporting and incentive-setting purposes.

APM	Reference for reconciliation	Definition and purpose		Calculation	
				2024 £m	2023 £m
<b>NAV per share<sup>1</sup></b>	Primary statements note 20	NAV per share is defined as Net Assets divided by the number of outstanding shares.  The measure shows net assets managed on behalf of shareholders by the Group per outstanding share.  NAV per share is a standard measure used within our peer group and can be directly compared with the Group’s share price.	NAV	<b>£952.5m</b>	£1,190.3m
			Shares in issue	<b>975,286,268</b>	1,036,694,485
			<b>NAV per share</b>	<b>97.7p</b>	114.8p
<b>Return on NAV</b>	Primary statements note 4	Return on NAV is defined as the total comprehensive income or loss for the year excluding charges which do not impact on net assets, specifically share-based payment charges.  The measure shows a summary of the income statement gains and losses which directly impact NAV.	Total comprehensive income	<b>(210.0)</b>	(174.8)
			Excluding:		
			Share-based payment charge	<b>1.9</b>	2.6
			<b>Return on NAV</b>	<b>(208.1)</b>	(172.2)
<b>Net portfolio gains/(losses)</b>	note 13, 14, 15	Net portfolio gains/(losses) are defined as the movement in the value of holdings in the portfolio due as a result of realised and unrealised gains and losses.  The measure shows a summary of the income statement gains and losses which are directly attributable to the total portfolio (see definition above), which is a headline measure for the Group’s portfolio performance.  This is a key driver of the Return on NAV which is a performance metric for Directors’ and employees’ incentives.	Change in fair value of equity and debt investments	<b>(246.1)</b>	(110.9)
			Gain/(loss) on disposal of equity investments	<b>63.7</b>	(10.8)
			Change in fair value of LP interests <sup>2</sup>	<b>(12.6)</b>	(38.8)
			<b>Net portfolio (losses)</b>	<b>(195.0)</b>	(160.5)
<b>Total portfolio<sup>3</sup></b>	Consolidated statement of financial position, note 13, 14	Total portfolio is defined as the total of equity investments, debt investments and investments in LPs.  This measure represents the aggregate balance sheet amounts which the Group considers to be its investment portfolio, and which is described in further detail within the portfolio review section of the strategic report.	Equity investments	<b>713.8</b>	1,011.5
			Debt investments	<b>51.6</b>	83.7
			LP interests	<b>58.1</b>	69.7
			Assets held for sale	<b>13.9</b>	–
			<b>Total portfolio</b>	<b>837.4</b>	1,164.9

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 27. Alternative performance measures (“APM”) continued

APM	Reference for reconciliation	Definition and purpose		Calculation	
				2024 £m	2023 £m
<b>Portfolio investment</b>	Primary statements	Portfolio investment is defined as the purchase of equity and debt investments plus investments into limited partnership interests.  This gives a combined measure of investment into the Group’s portfolio.	Purchase of equity and debt investments	(60.8)	(63.4)
			Investment in limited and limited liability partnerships	(2.2)	(9.8)
			<b>Portfolio investment</b>	<b>(63.0)</b>	<b>(73.2)</b>
<b>Cash proceeds<sup>1</sup></b>	Primary statements	Cash proceeds is defined as the proceeds from the disposal of equity and debt investments plus distributions received from limited partnership interests.	Proceeds from the sale of equity investments	182.2	37.7
			Distributions from limited partnership funds	1.2	0.9
			<b>Cash proceeds</b>	<b>183.4</b>	<b>38.6</b>
<b>Net overheads<sup>2</sup></b>	Financial review, note 8	Net overheads are defined as the Group’s core overheads less operating income. The measure reflects the Group’s controllable net operating “cash-equivalent” central cost base.	Other income	5.5	5.9
			Other administrative expenses	(25.3)	(28.0)
			Excluding:		
			Non-portfolio foreign exchange movements	(2.7)	(0.4)
			Restructuring costs – labour	2.4	–
			Restructuring costs – professional	0.3	–
			<b>Net overheads</b>	<b>(19.8)</b>	<b>(22.5)</b>
<b>Gross cash and deposits</b>	Primary statements	Cash and deposits is defined as cash and cash equivalents plus deposits.	Cash and cash equivalents	115.6	100.9
			Deposit	170.0	126.0
			<b>Gross cash and deposits</b>	<b>285.6</b>	<b>226.9</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

## 27. Alternative performance measures (“APM”) continued

APM	Reference for reconciliation	Definition and purpose	Calculation		
			2024 £m	2023 £m	
<b>Loss excluding ONT</b>	Primary statements	(Loss)/profit excluding ONT is defined as the Groups (loss)/profit for the year (after tax) excluding the (loss)/profit on the investment held in Oxford Nanopore publicly quoted shares both realised and unrealised.  This measure gives a view of the results of this business excluding this single investment which, given its size and recent share price volatility, may be helpful to users of the accounts as a view of the underlying business.	(Loss) for the year	(207.0)	(174.4)
			Excluding:		
			Change in fair value of equity investment in Oxford Nanopore	66.3	31.9
			<b>(Loss)/profit excluding ONT</b>	<b>(140.7)</b>	(142.5)
<b>Simple return on capital (%)</b>	Note 27	Defined as net portfolio gains/losses divided by the opening total portfolio value.  This measure gives a view of the size of portfolio gains or losses relative to the opening portfolio value, giving useful additional context for the value of gains or losses.	Net portfolio (losses)	(195.0)	(160.5)
			Opening total portfolio value	1,164.9	1,258.5
			<b>Simple return on capital (%)</b>	<b>(17%)</b>	(13%)
<b>% Return on NAV (%)</b>	Note 27 (return on NAV) Primary statements (Net Asset Value)	Defined as return on NAV divided by the opening Net Asset Value.  This measure gives a view of the size of Return on NAV relative to the opening Net Asset Value, giving useful additional context for the value of returns.	Return on NAV	(208.1)	(172.2)
			Opening Net Asset Value	1,190.3	1,376.1
			<b>Return on NAV (%)</b>	<b>(17%)</b>	(13%)

- For consistency with how we report investments as the purchase of equity and debt investments plus investment in limited and limited liability partnerships, the Directors believe that this new measure showing cash proceeds is defined as the proceeds from the disposal of equity and debt investments plus distributions received from limited liability partnerships interests profit represents a useful additional measure for users of the accounts.
- For clarity non-portfolio foreign exchange movements have been excluded from net overheads, these exchange movements are on intercompany loans and other balance sheet items including cash, and which do not represent an ongoing overhead cost for the group. Their exclusion is therefore considered to give a more accurate view of the underlying net overhead costs of the business.
- At 31 December 2024, the Group was in the process of disposing of a number of assets, which were accordingly reclassified within current assets as Assets Held for Sale. These assets are considered to be part of the Group's investment portfolio and have been managed as such throughout the period. Accordingly, the APM has been amended to included Assets Held for Sale within the Group's Total portfolio APM.

## 28. Post balance sheet events

As at 21 March 2025, unrealised fair value losses in respect of the Group's quoted portfolio totalled £14.7m, largely in respect of Oxford Nanopore Technologies plc, which has seen a fair value loss of £13.8m since 31 December 2024.

The Group was notified of the outcome of Istesso's Phase 2b trial for Leramistat in February 2025, reflecting information which Istesso Limited had received prior to 31 December 2024.

Since 1 January 2025, the Group has delivered cash proceeds of £24.7m.

In January 2025 the Group launched a further extension by up to £40m of its buyback programme, which had been announced in December 2024. In March 2025, as part of the Group's preliminary results statement, the Group announced intention to extend buyback programme by a further £10m.

# COMPANY BALANCE SHEET.

AS AT 31 DECEMBER 2024

	Note	2024 £m	2023 £m
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in subsidiary undertakings	2	331.5	330.4
Equity and debt investments	3	3.5	3.5
Limited liability partnership interests	4	2.3	2.9
Loans to subsidiary undertakings: long term	5	605.0	640.9
<b>Total non-current assets</b>		<b>942.3</b>	977.9
<b>Current assets</b>			
Loans to subsidiary undertakings: short term	5	0.9	0.9
Trade receivables		1.9	–
Cash & cash equivalent		–	–
<b>Total current assets</b>		<b>2.8</b>	0.9
<b>Total assets</b>		<b>945.1</b>	978.6
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Called-up share capital	6	19.5	21.3
Share premium account	6	102.5	102.8
Capital redemption reserve	6	1.8	–
Retained earnings	6	700.7	734.0
<b>Total equity attributable to equity holders</b>		<b>824.5</b>	858.1
<b>Current liabilities</b>			
Trade and other payables		0.9	0.9
<b>Total current liabilities</b>		<b>0.9</b>	0.9
<b>Non-current liabilities</b>			
Borrowings		119.7	119.6
Deferred tax liability		–	–
<b>Total non-current liabilities</b>		<b>119.7</b>	119.6
<b>Total liabilities</b>		<b>120.6</b>	120.5
<b>Total equity and liabilities</b>		<b>945.1</b>	978.6

Registered number: 04204490

The Company has taken advantage of the exemption granted by Section 408 of the Companies Act 2006 whereby no individual income statement of the Company is disclosed. The Company's loss for the financial year was £5.9m (loss: 2023: £5.8m).

The accompanying notes form an integral part of the financial statements. The financial statements on pages 117 to 174 were approved by the Board of Directors and authorised for issue on 24 March 2025 and were signed on its behalf by: signed on its behalf by:



**Greg Smith**  
Chief Executive Officer



**David Baynes**  
Chief Financial Officer

# COMPANY STATEMENT OF CHANGES IN EQUITY.

AS AT 31 DECEMBER 2024

	Share capital £m	Share premium(i) £m	Capital redemption reserve(iii) £m	Retained earnings(ii) £m	Total £m
<b>At 1 January 2023</b>	21.3	102.8	–	750.3	874.4
<b>Total comprehensive income for the period</b>					
Loss for the year	–	–	–	(5.8)	(5.8)
Total comprehensive income for the period	–	–	–	(5.8)	(5.8)
<b>Transactions with owners, recorded directly in equity</b>					
Purchase of treasury shares <sup>(iii)</sup>	–	–	–	(0.1)	(0.1)
Equity-settled share-based payments <sup>(iv)</sup>	–	–	–	2.6	2.6
Ordinary dividends <sup>(v)</sup>	–	–	–	(13.0)	(13.0)
Total contributions by and distributions to owners	–	–	–	(10.5)	(10.5)
<b>At 1 January 2024</b>	<b>21.3</b>	<b>102.8</b>	<b>–</b>	<b>734.0</b>	<b>858.1</b>
<b>Total comprehensive income for the period</b>					
Loss for the year	–	–	–	(5.9)	(5.9)
Total comprehensive income for the period	–	–	–	(5.9)	(5.9)
<b>Transactions with owners, recorded directly in equity</b>					
Other movements	–	(0.3)	–	0.3	–
Purchase of treasury shares <sup>(iii)</sup>	(1.8)	–	1.8	(29.6)	(29.6)
Equity-settled share-based payments <sup>(iv)</sup>	–	–	–	1.9	1.9
Ordinary dividends <sup>(v)</sup>	–	–	–	–	–
Total contributions by and distributions to owners	(1.8)	(0.3)	1.8	(27.4)	(27.7)
<b>At 31 December 2024</b>	<b>19.5</b>	<b>102.5</b>	<b>1.8</b>	<b>700.7</b>	<b>824.5</b>

i Share premium – Amount subscribed for share capital in excess of nominal value, net of directly attributable issue costs.

ii Retained earnings – Cumulative net gains and losses recognised in the statement of comprehensive income net of associated share-based payments credits and distributions to shareholders.

iii Purchase of treasury shares – During 2024, the Company purchased 45,280,605 ordinary shares (2023: 200,302 ordinary shares), with an aggregate value of £0.9m (2023: £0.1m) which were initially held in treasury. These were subsequently used to settle employee share-based payments of 4,481,489 prior to the remainder being cancelled in September 2024 along with a further 26,493,520 treasury shares held at the start of the year which were also cancelled at the same time. A further 20,609,101 shares with an aggregate value of £0.5m were purchased in the period September to December 2024 and immediately cancelled. The nominal value of the cancelled treasury share has been added to the Capital redemption reserve.

iv Equity-settled share-based payments – amounts recognised in respect of the Group's share-based payments schemes recognised as a subsidiary investment in the Company accounts with a corresponding entry against equity.

v Ordinary dividends – there were no dividends paid in 2024 (2023: £13.0m total; £13.0m cash). No new shares were issued in respect of the scrip dividend (2023: no shares issued).

The accompanying notes form an integral part of the financial statements.

# NOTES TO THE COMPANY FINANCIAL STATEMENTS.

## 1. Accounting policies

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards ("UK-adopted IFRS") but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Under section s408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures: a cash flow statement and related notes; disclosures in respect of transactions with wholly owned subsidiaries; disclosures in respect of capital management; from presenting a comparative period reconciliation for share capital, the effects of new but not yet effective IFRSs; and disclosures of compensation of key management personnel.

As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures: IFRS 2 Share-Based Payments in respect of Group-settled share-based payments; and certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

## Going concern

The parent Company financial statements are prepared on a going concern basis set out in Note 1 of the consolidated financial statements of IP Group Plc.

## Subsidiary investments

Investments in subsidiaries are stated at cost less, where appropriate, provision for impairment. The Company tests the investment balances for impairment annually or whenever there is an indication that the value of carrying amount may not be recoverable.

In light of the fact that the majority of the assets in the Company's subsidiaries are recorded at fair value, subsidiary net assets are taken as an approximation of their minimum recoverable amount. If the carrying value of an investment in a subsidiary is in excess of the minimum recoverable amount, the value of the investment is impaired.

Consideration has been given as to whether the fact that IP Group plc's shares are trading at a discount to net asset value constitutes a trigger an impairment assessment for the value of the Company's subsidiary investments. Given that the majority of the assets within the Company's subsidiaries are held at fair value, the Directors do not believe that as a result of this assessment an additional impairment is required.

## Equity and debt investments and Limited Liability Partnership interests

Equity investments, debt investments and investments in limited partnerships are categorised as financial assets at fair value through profit or loss. This measurement basis is consistent with the fact that the Group's performance in respect of investments in equity investments, limited partnerships and associated undertakings is evaluated on a fair value basis in accordance with an established investment strategy.

Financial assets at fair value through profit or loss are initially recognised at fair value and any gains or losses arising from subsequent changes in fair value are presented in profit or loss in the statement of comprehensive income in the period which they arise.

The valuation methods applied are the same as those at the Group level; details of which can be found in note 13 to the Group's financial accounts.

## Intercompany loans

All intercompany loans are initially recognised at fair value and subsequently measured at amortised cost. Where intercompany loans are intended for use on a continuing basis in the Company's activities, and there is no intention of their settlement in the foreseeable future, they are presented as non-current assets.

## Financial instruments

Currently the Company does not enter into derivative financial instruments. Financial assets and financial liabilities are recognised and cease to be recognised on the basis of when the related titles pass to or from the Company.

## Share-based payments

The Group operates a number of equity-settled share-based compensation schemes under which the employing subsidiary within the Group receives services from employees as consideration for equity instruments in IP Group plc. For further details on these schemes, see note 21 in the Group accounts. When options are exercised, the company issues new shares. The proceeds received net of any directly attributable costs are credited to share capital (nominal value) and the balance to share premium. In the Company financial statements, the grant of share options is treated as a capital contribution. Specifically, the fair value of employee services received (measured at the date of grant) is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity financial statements.

## Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowing using the effective interest rate method. Costs incurred in the course of issuing additional debt are recognised on the balance sheet and charged to the income statement on a straight-line basis over the term of the borrowings.

# NOTES TO THE COMPANY FINANCIAL STATEMENTS.

## 2. Investments in subsidiary undertakings

	2024 £m	2023 £m
At 1 January	330.4	329.2
Investment in respect of share-based payments	1.9	2.6
Impairment of subsidiary undertakings in the year	(0.8)	(1.4)
<b>At 31 December</b>	<b>331.5</b>	<b>330.4</b>

Details of the Company's subsidiary undertakings as at 31 December 2024 are detailed in note 10 to the Company financial statements.

## 3. Equity and debt investments

	2024 £m	2023 £m
At 1 January	3.5	3.5
Fair value gains in the year	–	–
Disposals in the year	–	–
<b>At 31 December</b>	<b>3.5</b>	<b>3.5</b>

Details of the Company's associated undertakings and significant holdings as at 31 December 2024 are disclosed in note 11 to the Company financial statements.

## 4. Limited liability partnership interests

	2024 £m	2023 £m
At 1 January	2.9	2.7
Fair value (loss)/gain during the year	(0.6)	0.2
<b>At 31 December</b>	<b>2.3</b>	<b>2.9</b>

Other investments relate to the Group's 17.7% partnership interest in Technikos LLP, see notes 1 and 14 of the Group accounts for further details.

## 5. Loans to subsidiary undertakings

	2024 £m	2023 £m
At 1 January	641.8	599.0
(Repayment)/drawdown of loans by subsidiary undertakings during the year	(36.1)	42.8
<b>At 31 December</b>	<b>605.7</b>	<b>641.8</b>

	2024 £m	2023 £m
Current	0.9	0.9
Non-current	605.0	640.9
<b>At 31 December</b>	<b>605.9</b>	<b>641.8</b>

The Directors consider the carrying amount of trade and other receivables at amortised cost to approximate their fair value. All receivables are interest free, repayable on demand and unsecured.

The amounts due from subsidiary undertakings are interest free, repayable on demand and unsecured. Loans classified as non-current are not expected to be recalled within one year.

Given the nature of the subsidiary undertakings to which they relate, the Company considers expected credit losses on the Company's receivables to be less than £0.1m and therefore not disclosed further (2023: under £0.1m).

# NOTES TO THE COMPANY FINANCIAL STATEMENTS.

## 6. Share capital and reserves

	Share capital £m	Share premium £m	Capital redemption reserve £m	Profit and loss reserve £m
At 1 January 2024	21.3	102.8	–	734.0
Comprehensive income	–	–	–	(5.9)
Purchase of treasury shares	(1.8)	–	1.8	(29.6)
Equity-settled share-based payments	–	–	–	1.9
Other movements	–	(0.3)	–	0.3
Ordinary dividends	–	–	–	–
<b>At 31 December 2024</b>	<b>19.5</b>	<b>102.5</b>	<b>1.8</b>	<b>700.7</b>

Details of the Company's authorised share capital and changes in its issued share capital can be found in note 20 to the consolidated financial statements. Details of the movement in the share premium account can be found in the consolidated statement of changes in equity.

## 7. Profit and loss account

As permitted by Section 408 of the Companies Act 2006, the Company's profit and loss account has not been included in these financial statements. The Company's loss for the year was £5.9m (2023: loss of £5.8m).

Details of the auditor's remuneration are disclosed in note 6 to the consolidated financial statements.

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements.

## 8. Directors' emoluments, employee information and share-based payments

The remuneration of the Directors is borne by Group subsidiary undertakings. Full details of their remuneration can be found in the sections labelled as audited within the Directors' Remuneration Report and note 21 of the Group accounts.

The Company had no employees during 2024 or 2023.

## 9. Dividends and share buyback

There were no dividends paid in 2024 (2023: £13.0m dividends; £13.0m settled in cash). Due to the limited take up of scrip dividends the scheme was discontinued in prior years.

On 18 December 2023 the Group announced that, in light of the prevailing discount between the Company's share price and its NAV per share, it had initiated a share buyback of up to £20 million. This £20m share buyback tranche completed in September 2024. On 7th October 2024 it was announced to increase the Group's share buyback programme by a further £10m to run until 31 December 2024. This increased the share buyback programme to a total of £30million. The Board remains committed to making regular cash returns to shareholders from realisations. In future these regular cash returns will normally be made in the form of share buybacks when the share price discount to NAV exceeds 20%. Regular dividend payments will be suspended under such conditions, including consideration of any final dividend for 2024.

## 10. Borrowings

	2024 £m	2023 £m
Current	–	–
Non-current	119.7	119.6
<b>At 31 December 2024</b>	<b>119.7</b>	<b>119.6</b>

The Group expanded its debt facilities in the prior year with the addition of an agreed borrowing primarily from Phoenix group which it has used to fund our portfolio of businesses. The terms of the facilities are summarised in note 19 of the consolidated financial statements.

# NOTES TO THE COMPANY FINANCIAL STATEMENTS.

## 11. Details of subsidiary undertakings

Name of subsidiary undertakings	Proportion of ownership interest % <sup>(i)</sup>	Proportion of voting power held % <sup>(i)</sup>	Proportion of nominal value held %	Held by parent/ Group
IP2IPO Limited	100.0	100.0	100.0	Direct
IP2IPO Carry Partner Limited	100.0	100.0	100.0	Indirect
IP2IPO Americas Limited	100.0	100.0	100.0	Indirect
IP2IPO US Partners Limited	100.0	100.0	100.0	Indirect
Top Technology Ventures Limited <sup>(iii)</sup>	100.0	100.0	100.0	Direct
Fusion IP Sheffield Limited <sup>(ii)</sup>	100.0	100.0	100.0	Indirect
Fusion IP Cardiff Limited <sup>(ii)</sup>	100.0	100.0	100.0	Indirect
IP Venture Fund II (GP) LLP <sup>(iii)</sup>	100.0	100.0	100.0	Indirect
IP Ventures (Scotland) Limited <sup>(iii)</sup>	100.0	100.0	100.0	Indirect
IP2IPO Portfolio (GP) Limited <sup>(iii)</sup>	100.0	100.0	100.0	Indirect
IP2IPO Portfolio LP	100.0	100.0	100.0	Indirect
IP Capital Limited <sup>(ii)</sup>	100.0	100.0	100.0	Indirect
IP2IPO Asia-Pacific Limited	100.0	100.0	100.0	Direct
IP Group Greater China Limited	100.0	100.0	100.0	Indirect
IP Group Greater China Services Limited	100.0	100.0	100.0	Indirect
IP2IPO ANZ Carry Limited <sup>(ii)</sup>	100.0	100.0	100.0	Indirect
Kiko Ventures Limited <sup>(ii)</sup>	100.0	100.0	100.0	Indirect
IP2IPO Australia Pty Limited	100.0	100.0	100.0	Indirect
IP2IPO Australia HP Pty Limited	100.0	100.0	100.0	Indirect
IP2IPO Australia Management Pty Limited	100.0	100.0	100.0	Indirect
IP2IPO Australia GP Pty Limited	100.0	100.0	100.0	Indirect
IP2IPO Australia CT Pty Limited	100.0	100.0	100.0	Indirect
IP2IPO Australia VCMP LP	100.0	100.0	100.0	Indirect
IP2IPO Australia VCLP No 1 LP	100.0	100.0	100.0	Indirect
IP2IPO Australia TS Pty Ltd	100.0	100.0	100.0	Indirect
Parkwalk Advisors Limited	100.0	100.0	100.0	Direct
Touchstone Innovations Limited	100.0	100.0	100.0	Indirect
IP2IPO Innovations Limited	100.0	100.0	100.0	Indirect
Innovations Limited Partner Limited	100.0	100.0	100.0	Indirect
IP2IPO Company Maker Limited	100.0	100.0	100.0	Indirect

# NOTES TO THE COMPANY FINANCIAL STATEMENTS.

## 11. Details of subsidiary undertakings *continued*

Name of subsidiary undertakings	Proportion of ownership interest % <sup>(i)</sup>	Proportion of voting power held % <sup>(i)</sup>	Proportion of nominal value held %	Held by parent/Group
Touchstone Innovations Businesses LLP	100.0	100.0	100.0	Indirect
IPG USA (LP) Limited	100.0	100.0	100.0	Indirect
IPG USA SCO LP	100.0	100.0	100.0	Indirect
IP2IPO Nominees Limited <sup>(ii)</sup>	100.0	100.0	100.0	Direct
IP2IPO Services Limited <sup>(ii)</sup>	100.0	100.0	100.0	Direct
LifeUK (IP2IPO) Limited <sup>(ii)</sup>	100.0	100.0	100.0	Direct
IP Industry Partners Limited <sup>(ii)</sup>	100.0	100.0	100.0	Direct
Biofusion Licensing (Sheffield) Limited <sup>(ii),(iv)</sup>	100.0	100.0	100.0	Indirect
Fusion IP Nottingham Limited <sup>(ii),(iv)</sup>	100.0	100.0	100.0	Indirect
Fusion IP Two Limited <sup>(ii),(iv)</sup>	100.0	100.0	100.0	Indirect
Asterion Limited	66.8	66.8	66.5	Indirect
PH Therapeutics Limited <sup>(ii)</sup>	60.0	60.0	60.0	Indirect
IP Venture Fund II LP <sup>(v)</sup>	33.3	33.3	33.3	Indirect

i All holdings are via ordinary shares unless separate classes are specified in the table.

ii Dormant/non-trading company.

iii Company/engaged in fund management activity.

iv Acquired as part of the Fusion IP plc acquisition.

v As detailed in note 1 to the Group financial statements, though less than 33.3% of beneficial and nominal interest is held by the Group, the Group's position as fund manager to IP Venture Fund II LP means the Group fulfils the control criteria set out in IFRS 10 and the fund is thus consolidated.

All companies above have their registered offices at 2nd Floor 3 Pancras Square, Kings Cross, London, England, NIC 4AG, unless separately listed on the following page.

IP Ventures (Scotland) Limited: 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ.

Asterion Limited: Windsor House, Cornwall Road, Harrogate, England, HG1 2PW.

PH Therapeutics Limited: Windsor House, Cornwall Road, Harrogate, England, HG1 2PW.

IP2IPO Australia Pty Limited: Level 35, 360 Elizabeth Street, Melbourne, VIC 3000, Australia.

IP Group Greater China Limited: 6/F Alexandra House, 18 Chater Road, Central Hong Kong.

IP Group Greater China Services Limited: 6/F Alexandra House, 18 Chater Road, Central Hong Kong.

IP2IPO Australia HP Pty Limited: Level 16, 379 Collins Street, Melbourne, VIC 3000, Australia.

IP2IPO Australia Management Pty Limited: Level 16, 379 Collins Street, Melbourne, VIC 3000, Australia.

IP2IPO Australia GP Pty Limited: Level 16, 379 Collins Street, Melbourne, VIC 3000, Australia.

# NOTES TO THE COMPANY FINANCIAL STATEMENTS.

## 11. Details of subsidiary undertakings *continued*

IP2IPO Australia CT Pty Limited: Level 16, 379 Collins Street, Melbourne, VIC 3000, Australia.

IP2IPO Australia VCMP LP: Level 16, 379 Collins Street, Melbourne, VIC 3000, Australia.

IP2IPO Australia VCLP No 1 LP: Level 16, 379 Collins Street, Melbourne, VIC 3000, Australia.

IP2IPO Australia TS Pty Ltd, 658 856 832, Level 16, 379 Collins Street, Melbourne, VIC, 3000, Australia.

IPG USA SCO LP: 13 Queens Road, Aberdeen, AB15 4YL.

All companies above are incorporated in England and Wales with the exception of IP Ventures (Scotland) Limited incorporated in Scotland, IP Group Inc, IP2IPO Australia Pty Limited, IP2IPO Australia HP Pty Limited, IP2IPO Australia Management Pty Limited, IP2IPO Australia GP Pty Limited, IP2IPO Australia CT Pty Limited, IP2IPO Australia VCMP LP and IP2IPO Australia VCLP No 1 LP which were incorporated in Australia and IP Group Greater China Limited and IP Group Greater China Services Limited are both incorporated in Hong Kong.

All companies above undertake the activity of commercialising intellectual property unless stated otherwise. All companies are consolidated into the Group's financial performance and position following the acquisition method.

## 12. Details of significant holdings and associated undertakings

Name of undertaking	Registered address	Proportion of nominal value held % <sup>(i)</sup>	Held by parent/ Group <sup>(ii)</sup>
<b>IPG-CEL China Ventures Limited</b>	Level 54, Hopwell Centre, 183 Queen's Road East, Hong Kong	50.0%	Group
<b>Accelercomm Limited</b>	5 Benham Road Benham Road, Chilworth, Southampton, England, SO16 7QJ	26.4%	Group
Ordinary Shares (Accelercomm Limited)		25.8%	Group
Ordinary A Shares (Accelercomm Limited)		30.9%	Group
B Preference Shares (Accelercomm Limited)		24.5%	Group
<b>Additive Assurance Pty Ltd</b>	382 Huntingdale Rd, Oakleigh South VIC 3167, Australia	32.5%	Group
Seed Extension Preference Shares (Additive Assurance)		32.5%	Group
<b>Alesi Surgical Limited</b>	Cardiff Medicentre, Heath Park, Cardiff, CF14 4UJ	30.5%	Group
Preferred D Shares (Alesi Surgical Limited)		23.4%	Group
Preferred B Shares (Alesi Surgical Limited)		28.1%	Group
Preferred Ordinary Shares (Alesi Surgical Limited)		40.3%	Group
Ordinary Shares (Alesi Surgical Limited)		57.0%	Group
A Shares (Alesi Surgical Limited)		100.0%	Group
Preferred C Shares (Alesi Surgical Limited)		42.0%	Group
<b>Alimetry Limited</b>	70 Symonds Street, Grafton, Auckland 1010, New Zealand	22.2%	Group
Series B Preference Shares (Alimetry Limited)		22.2%	Group
<b>AMSL Innovations Pty Ltd</b>	42 Stafford St Stanmore, NEW SOUTH WALES, 2048 Australia	35.7%	Group
Series B Shares (AMSL Innovations Pty Ltd)		35.7%	Group
<b>Ankere Therapeutics Pty Ltd</b>	Level 9, 31 Queen Street Melbourne VIC 3000	32.4%	Group

# NOTES TO THE COMPANY FINANCIAL STATEMENTS.

## 12. Details of significant holdings and associated undertakings continued

Name of undertaking	Registered address	Proportion of nominal value held % <sup>(i)</sup>	Held by parent/Group <sup>(ii)</sup>
Seed Shares (Ankere Therapeutics Pty Ltd)		54.5%	Group
<b>AnywhereHPLC Limited</b>	Irdb Building (Level 1) Du Cane Road Imperial College London, Hammersmith Campus London W12 0HS	50.0%	Group
Ordinary Shares (AnywhereHPLC Limited)		50.0%	Group
<b>Aqdot Limited</b>	Lab 1 Iconix 2 Iconix Park, London Road, Cambridge, CB22 3EG	28.1%	Group
Preference Shares (Aqdot Limited)		37.4%	Group
Ordinary Shares (Asterion Limited)		66.8%	Group
<b>Atazoa Limited</b>	Skempton Building, Imperial College Room 205, Skempton Building, Imperial College, London, SW7 2AZ	24.9%	Group
Ordinary Shares (Atazoa Limited)		49.9%	Group
<b>AudioScenic Limited</b>	Suite A, Epsilon House Enterprise Road, Southampton Science Park, Southampton, England, SO16 7NS	34.0%	Group
Ordinary Shares (AudioScenic Limited)		38.5%	Group
A Ordinary Shares (AudioScenic Limited)		33.1%	Group
B Ordinary Shares (AudioScenic Limited)		30.4%	Group
<b>Autifony Therapeutics Limited</b>	Stevenage Bioscience Catalyst, Gunnels Wood Road, Stevenage, Hertfordshire, England, SG1 2FX	24.9%	Group
A3 Preference Shares (Autifony Therapeutics Limited)		35.5%	Group
A Preference Shares (Autifony Therapeutics Limited)		38.4%	Group
Ordinary Shares (Autifony Therapeutics Limited)		1.5%	Group
<b>Azuri Technologies Limited</b>	St. John's Innovation Centre, Cowley Road, Cambridge,	42.4%	Group
Ordinary shares (Azuri Technologies Limited)		37.4%	Group
A Preference Shares (Azuri Technologies Limited)		50.2%	Group
<b>Barocal Limited</b>	140b Newmarket Road, Cambridge, England, CB5 8HE	32.0%	Group
Ordinary Shares (Barocal Limited)		32.0%	Group
<b>Bramble Energy Limited</b>	Atrium Court Tilgate Business Park Brighton Road Crawley RH11 9BP	31.6%	Group
Ordinary Shares (Bramble Energy Limited)		32.0%	Group
A Ordinary Shares (Bramble Energy Limited)		32.4%	Group
<b>Canopus Networks Pty Ltd</b>	98 Tambourine Bay Rd, Riverview, New South Wales 2066, AU	38.0%	Group

# NOTES TO THE COMPANY FINANCIAL STATEMENTS.

## 12. Details of significant holdings and associated undertakings continued

Name of undertaking	Registered address	Proportion of nominal value held % <sup>(i)</sup>	Held by parent/Group <sup>(ii)</sup>
Ordinary Shares (Canopus Networks Pty Ltd)		38.0%	Group
<b>Cardian Limited</b>	30 Broad Street Broad Street, Great Cambourne, Cambridge, England, CB23 6HJ	53.7%	Group
A Preference Shares (Cardian Limited)		100.0%	Group
Ordinary Shares (Cardian Limited)		13.6%	Group
Ordinary Shares 2 – Revenue shares (Cardian Limited)		100.0%	Group
<b>Cardiovascular Imaging Solutions Limited</b>	Suite 19 Maple Court, Grove Park, Maidenhead, Berkshire, England, SL6 3LW	24.9%	Group
Ordinary Shares (Cardiovascular Imaging Solutions Limited)		24.9%	Group
<b>C-Capture Limited</b>	Windsor House, Cornwall Road, Harrogate, England, HG1 2PW	31.1%	Group
Ordinary Shares (C-Capture Limited)		22.2%	Group
Series A Preference Shares (C-Capture Limited)		37.0%	Group
A2 Preferred Shares (C-Capture Limited)		17.1%	Group
A1-B Preference Shares (C-Capture Limited)		100.0%	Group
<b>Chromosol Limited</b>	3 Field Court Grays Inn London WC1R 5EF	34.6%	Group
Ordinary Shares (Chromosol Limited)		34.6%	Group
<b>CyAmast Pty Ltd</b>	South Wharf, VIC 3006, Australia	34.1%	Group
Ordinary Share (CyAmast Pty Ltd)		34.1%	Group
<b>Deep Render Ltd</b>	1 St. Katharine's Way, London, England, E1W 1UN	45.7%	Group
Series A Preferred Shares (Deep Render Ltd)		60.0%	Group
<b>Defenition Limited</b>	Windsor House, Cornwall Road, Harrogate, England, HG1 2PW	49.5%	Group
B Ordinary Shares (Defenition Limited)		100.0%	Group
Ordinary Shares (Defenition Limited)		48.5%	Group
<b>Diffblue Limited</b>	5 New Street Square London EC4A 3TW	28.3%	Group
Series A Shares (Diffblue Limited)		52.6%	Group
Non-Voting Preference Shares (Diffblue Limited)		100.0%	Group
Series A1 Shares (Diffblue Limited)		22.3%	Group
<b>Electralith Pty Ltd</b>	Level 35, 360 Elizabeth Street, Melbourne, VIC 3000	24.1%	Group
Series A Preference Shares (Electralith Pty Ltd)		19.5%	Group
Ordinary Shares (Electralith Pty Ltd)		28.2%	Group

# NOTES TO THE COMPANY FINANCIAL STATEMENTS.

## 12. Details of significant holdings and associated undertakings continued

Name of undertaking	Registered address	Proportion of nominal value held % <sup>(i)</sup>	Held by parent/Group <sup>(ii)</sup>
<b>Emdot Limited</b>	3 Pancras Square, King's Cross, London, England, NIC 4AG	26.3%	Group
Ordinary Shares (Emdot Limited)		26.3%	Group
<b>Enterprise Therapeutics Holdings Ltd</b>	Sussex Innovation Centre Science Park Square, Falmer, Brighton, England, BN1 9SB	20.3%	Group
Series B Shares (Enterprise Therapeutics Holdings Ltd)		16.4%	Group
Series A Shares (Enterprise Therapeutics Holdings Ltd)		47.6%	Group
Series B1 Preferred Shares (Enterprise Therapeutics Holdings)		15.0%	Group
Series B2 Preferred Shares (Enterprise Therapeutics Holdings)		26.0%	Group
<b>First Light Fusion Limited</b>	Unit 10 Mead Road, Yarnton, Kidlington, Oxfordshire, OX5 1QU	27.5%	Group
Ordinary Shares (First Light Fusion Limited)		28.2%	Group
<b>Forge Photonics Pty Ltd</b>	Suite 201, 697 Burke Road, Camberwell VIC 3124	31.5%	Group
Ordinary Shares (Forge Photonics Pty Ltd)		31.5%	Group
<b>Gripable Limited</b>	Thornton House, 39 Thornton Road, London, England, SW19 4NQ	36.8%	Group
Ordinary Shares (Gripable Limited)		37.1%	Group
<b>Hysata Pty Ltd</b>	AIIIM Building, Innovation Campus, North Wollongong NSW 2500	46.3%	Group
Ordinary Shares (Hysata Pty Ltd)		63.4%	Group
Series A Preference Shares (Hysata Pty Ltd)		44.7%	Group
<b>Ibex Innovations Limited</b>	Netpark Plexus Thomas Wright Way Sedgefield Stockton-on-Tees TS21 3FD	35.9%	Group
Ordinary Shares (Ibex Innovations Limited)		35.9%	Group
<b>Ieso Digital Health Limited</b>	The Jeffreys Building, Cowley Road, Cambridge, Cambridgeshire, United Kingdom, CB4 0DS	20.9%	Group
A Ordinary Shares (Ieso Digital Health Limited)		85.2%	Group
Ordinary Shares (Ieso Digital Health Limited)		14.7%	Group
A1 Preference Shares (Ieso Digital Health Limited)		47.1%	Group
B1 Preferred Shares – CLN (Ieso Digital Health Limited)		22.8%	Group
B1 Preferred Shares (Ieso Digital Health Limited)		15.0%	Group
C1 Preferred Shares – CLN (Ieso Digital Health Limited)		35.2%	Group
<b>Iksuda Therapeutics Limited</b>	The Biosphere, Draymans Way, Newcastle Helix, Newcastle upon Tyne, NE4 5BX	21.5%	Group
Ordinary Shares (Iksuda Therapeutics Limited)		22.6%	Group
A Ordinary Shares (Iksuda Therapeutics Limited)		50.0%	Group
Series A Shares (Iksuda Therapeutics Limited)		29.2%	Group

## NOTES TO THE COMPANY FINANCIAL STATEMENTS.

### 12. Details of significant holdings and associated undertakings *continued*

Name of undertaking	Registered address	Proportion of nominal value held % <sup>(i)</sup>	Held by parent/Group <sup>(ii)</sup>
<b>Inosi Therapeutics Pty Ltd</b>	South Wharf, VIC 3006, Australia	26.0%	Group
Ordinary Shares (Inosi Therapeutics Pty Ltd)		26.0%	Group
<b>Intelligent Ultrasound Group plc</b>	Floor 6A, Hodge House, 114-116 St Mary Street, Cardiff, CF10 1DY	20.5%	Group
Ordinary Shares (Intelligent Ultrasound Group plc)		20.5%	Group
<b>Intrinsic Semiconductor Technologies Limited</b>	Ucl Business Plc, The Network Building, 97 Tottenham Court Road, London, United Kingdom, W1T 4TP	24.3%	Group
A Ordinary Shares (Intrinsic Semiconductor Technologies Limited)		43.7%	Group
B Ordinary Shares (Intrinsic Semiconductor Technologies Limited)		24.1%	Group
<b>Ionix Advanced Technologies Limited</b>	Lynthorne House Intercity Way Leeds LS13 4LQ	28.6%	Group
Ordinary Shares (Ionix Advanced Technologies Limited)		28.5%	Group
B Ordinary Shares (Ionix Advanced Technologies Limited)		100.0%	Group
E Ordinary Shares (Ionix Advanced Technologies Limited)		27.8%	Group
<b>Ipalk SAS</b>	112 rye des hautes variennes, 45200, Amilly France	22.0%	Group
Ordinary Shares (Ipalk SAS)		22.0%	Group
<b>Istesso Limited</b>	2nd Floor 3 Pancras Square, Kings Cross, London, United Kingdom, N1C 4AG	27.0%	Group
Ordinary Shares (Istesso Limited)		40.6%	Group
A Shares (Istesso Limited)		77.8%	Group
<b>Kira Biotech Pty Limited</b>	The Precinct, Level 2/315 Brunswick St, Fortitude Valley QLD 4006, Australia	24.2%	Group
Series A Shares (Kira Biotech Pty Limited)		38.6%	Group
<b>Jetra Therapeutics Pty Ltd</b>	St Lucia QLD 4072 Australia	31.7%	Group
Ordinary Shares (Jetra Therapeutics Pty Ltd)		31.7%	Group
<b>Lumai Limited</b>	61 Derwent Avenue, Headington, Oxford, England, OX3 0AS	31.6%	Group
Series A Shares (Lumai Limited)	Lumai Limited	32.2%	
Ordinary Shares (Lumai Limited)		31.2%	Group
<b>Magnomatics Limited</b>	Park House, Bernard Road, Sheffield, S2 5BQ	37.2%	Group
A Shares (Magnomatics Limited)		52.1%	Group
Ordinary Shares (Magnomatics Limited)		15.3%	Group
C Ordinary Shares (Magnomatics Limited)		100.0%	Group
B Shares (Magnomatics Limited)		100.0%	Group

# NOTES TO THE COMPANY FINANCIAL STATEMENTS.

## 12. Details of significant holdings and associated undertakings continued

Name of undertaking	Registered address	Proportion of nominal value held % <sup>(i)</sup>	Held by parent/Group <sup>(ii)</sup>
<b>Metabometrix Limited</b>	12 Lodgefield Welwyn Garden City AL7 1SD	23.0%	Group
Ordinary Shares (Metabometrix Limited)		23.0%	Group
<b>Mixergy Limited</b>	30 Upper High Street, Thame, Oxfordshire, OX9 3EZ	25.5%	Group
Ordinary Shares (Mixergy Limited)		26.6%	Group
A Ordinary Shares (Mixergy Limited)		22.0%	Group
B Ordinary Shares (CLN) (Mixergy Limited)		20.2%	Group
<b>mRNAex Pty Ltd</b>	Suite 201, 697 Burke Road Camberwell VIC 3124	25.0%	Group
Seed Preference Shares (mRNAex Pty Ltd)		36.4%	Group
<b>NGenics Global Limited</b>	School of Physics, Engineering and Technology University of York Heslington York YO10 5DD	29.6%	Group
Ordinary Shares (NGenics Global Limited)		29.6%	Group
<b>OxCCU Tech Limited</b>	C/O James Cowper Kreston 2 Chawley Park, Cumnor Hill, Oxford, Oxfordshire, England, OX2 9GG	24.8%	Group
Ordinary Shares (OxCCU Tech Limited)		26.5%	Group
Series A Preferred Shares (OxCCU Tech Limited)		12.5%	Group
<b>Oxehealth Limited</b>	Bee House Eastern Avenue Milton Abingdon OX14 4SB	27.4%	Group
Ordinary Shares (Oxehealth Limited)		27.4%	Group
<b>OxSyBio Limited</b>	3 Field Court, London, WC1R 5EF	45.2%	Group
Ordinary Shares (OxSyBio Limited)		45.8%	Group
A Shares (OxSyBio Limited)		100.0%	Group
Preference shares (OxSyBio Limited)		40.0%	Group
<b>Perlemax Limited</b>	318 Broad Lane, Kroto Innovation Centre, Sheffield, South Yorkshire, England, S3 7HQ	34.5%	Group
Ordinary Shares (Perlemax Limited)		34.5%	Group
Ordinary Shares (PH Therapeutics Limited)		60.0%	Group

## NOTES TO THE COMPANY FINANCIAL STATEMENTS.

### 12. Details of significant holdings and associated undertakings *continued*

Name of undertaking	Registered address	Proportion of nominal value held % <sup>(i)</sup>	Held by parent/Group <sup>(ii)</sup>
<b>Reseptor Therapeutics Pty Ltd</b>	Suite 201, 697 Burke Road, Camberwell VIC 3124	38.0%	Group
Ordinary Shares (Reseptor Therapeutics)		38.0%	Group
<b>RFC Power Limited</b>	Windsor House, Cornwall Road, Harrogate, England, HG1 2PW	31.9%	Group
T Ordinary Shares (RFC Power Limited)		100.0%	Group
Ordinary Shares (RFC Power Limited)		28.3%	Group
<b>Riotech Pharmaceuticals Limited</b>	49 Arrivato Plaza, Hall Street, St Helens, United Kingdom, WA10 1GH	24.0%	Group
Ordinary Shares (Riotech Pharmaceuticals Limited)		24.0%	Group
<b>SkyStrata, Inc.</b>	5179 Britten Ln, Ellicott City, MD 21043, United States	28.8%	Group
Common Stock (SkyStrata, Inc.)		28.8%	Group
<b>Spinetic Energy Limited</b>	Office D Beresford House Town Quay Southampton SO14 2AQ	29.6%	Group
Ordinary Shares (Spinetic Energy Limited)		29.6%	Group
<b>Sunborne Systems Limited</b>	3 Field Court Gray's Inn London WC1R 5EF	22.0%	Group
Ordinary Shares (Sunborne Systems Limited)		22.0%	Group
<b>Surrey Nanosystems Limited</b>	East Side Business Park, Beach Road, Newhaven, England, BN9 0FB	21.1%	Group
A Ordinary Shares (Surrey NanoSystems Limited)		15.3%	Group
Ordinary Shares (Surrey NanoSystems Limited)		32.2%	Group
A2 Shares (Surrey Nanosystems Limited)		9.1%	Group
<b>Sweetgen Limited</b>	3 Field Court, Gray's Inn, London, WC1R 5EF	50.0%	Group
Ordinary Shares (Sweetgen Limited)		50.0%	Group
<b>Telectica Limited</b>	Second Floor Kennel Club House, Gatehouse Way, Aylesbury, Buckinghamshire, United Kingdom, HP19 8DB	26.4%	Group
Seed Preferred Shares (Telectica Limited)		90.5%	Group
<b>Topivert Limited</b>	1 More London Place, London, SE1 2AF, United Kingdom	28.7%	Group
Ordinary Shares (Topivert Limited)		1.8%	Group
A Ordinary Shares (Topivert Limited)		37.8%	Group
Series B1 Preferred Shares (Topivert Limited)		34.0%	Group
Series B2 Preferred Shares (Topivert Limited)		37.1%	Group

# NOTES TO THE COMPANY FINANCIAL STATEMENTS.

## 12. Details of significant holdings and associated undertakings continued

Name of undertaking	Registered address	Proportion of nominal value held % <sup>(i)</sup>	Held by parent/Group <sup>(ii)</sup>
<b>TriboSim Limited</b>	49 Station Road Tribosim Ltd, Polegate, East Sussex, England, BN26 6EA	22.5%	Group
Ordinary Shares (TriboSim Limited)		22.5%	Group
<b>Ubiquigent Limited</b>	Dundee University Incubator Dundee Technopole, James Lindsay Place, Dundee, DD1 5JJ	37.2%	Group
Ordinary Shares (Ubiquigent Limited)		37.2%	Group
<b>Uniphy Limited</b>	Nexus, Discovery Way, Leeds, United Kingdom, LS2 3AA	39.0%	Group
Ordinary Shares (Uniphy Limited)		39.1%	Group
A Shares (Uniphy Limited)		16.0%	Group
B Shares (Uniphy Limited)		4.0%	Group
<b>Zeetta Networks Limited</b>	11th Floor One Temple Row Birmingham B2 5LG	21.8%	Group
Ordinary Shares (Zeetta Networks Limited)		12.3%	Group
Preference Shares (Zeetta Networks Limited)		25.4%	Group
<b>Zoompast Limited</b>	Office 7, 35-37 Ludgate Hill, London, EC4M 7JN	31.3%	Group
Ordinary Shares (Zoompast Limited)		31.3%	Group

i All holdings are via ordinary shares unless separate classes are specified in the table.

ii Voting % less than 50%.

The significant influence noted above has been determined in line with IAS 28 and Schedule 4 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

# COMPANY INFORMATION.

## Company registration number

04204490

## Registered office

2nd Floor 3 Pancras Square Kings Cross London NIC 4AG

## Directors

### Sir Douglas Jardine Flint

(Non-executive Chair)

### Gregory Simon Smith

(Chief Executive Officer)

### David Graham Baynes

(Chief Financial and Operating Officer)

### Aedhmar Hynes

(Non-executive Director and Senior Independent Director)

### Dr Caroline Anne Brown

(Non-executive Director)

### Heejae Richard Chae

(Non-executive Director)

### Anita Kidgell

(Non-executive Director)

## Company Secretary

Angela Leach

## Brokers

### Bank of America Merrill Lynch

Financial Centre 2 King Edward Street London EC1A 1HQ

### Deutsche Numis

London Office 45 Gresham Street London EC2V 7BF

### Joh. Berenberg, Gossler & Co. KG

60 Threadneedle Street London EC2R 8HP

## Registrars

### Link Group

10th Floor Central Square 29 Wellington Street Leeds LS1 4DL

## Bankers

### Royal Bank of Scotland

PO Box 333 Silbury House 300 Silbury Boulevard Milton Keynes MK9 2ZF

## Solicitors

### Travers Smith LLP

10 Snow Hill, City of London, London, EC1A 2AL

## Independent auditor

### KPMG LLP

15 Canada Square London E14 5GL



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**IP GROUP PLC**

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