ip group
visionary ventures

Accelerating the IMPACT of science for a better future.

IP GROUP PLC

ANNUAL REPORT & ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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 25 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 600 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.

celebrating 25 years of

ip group

visionary ventures

25 years of backing science and technology

600+
Companies formed and supported

£1,690m
Total amount invested

15,000+
Number of jobs created by companies we have backed

£1,140m
Cumulative realisations

£150.9m
Cumulative returns to shareholders since 2019

4 Unicorns
created

HIGHLIGHTS.

Net Asset Value ("NAV")
£975.1m
2024: £952.5m

NAV pence per share[1]
110.4pps
2024: 97.7pps

% change in NAV per share
13%
2024: (15%)

Profit/(loss) for the year
£66.9m
2024: (£207.0m)

Total portfolio[1]
£908.1m
2024: £852.1m

Gross cash and deposits[1]
£211.0m
2024: £285.6m

Cash proceeds[1]
£68.1m
2024: £183.4m

Portfolio investment[1]
£70.5m
2024: £63.0m

[1] Note 29 details the Alternative Performance Measures ("APM")

NAV/share up 13%
with opportunity for significant potential future royalty income

On track to deliver >£250m of exits between 2025 and 2027
with encouraging portfolio developments

Maintained financial strength and focus on shareholder returns
including accelerated buyback programme

Zihipp/Metsera obesity drug programme acquired by Pfizer

Successful IPO for Hinge Health on the NYSE

Monolith AI acquired by CoreWeave Inc.

Parkwalk and Northern Gritstone launched Northern Universities Venture Fund

2025 HIGHLIGHTS.

PERFORMANCE HIGHLIGHTS

NAV/share up 13% to 110.4p with closing NAV of £975.1m; opportunity for significant potential future royalty income

- Following the acquisition of Metsera by Pfizer, the Group has now recognised the discounted value of future royalty and milestone income at £128.2m
- Group benefits from financial exposure to Pfizer's obesity franchise, including Phase 3 PF'3944 alongside several other programmes
- Metsera announced positive Phase 2b results for its GLP-1 therapeutic candidate PF'3944; and Pfizer announced the initiation of a first P3 study in late 2025

Target confirmed to deliver >£250m of exits between 2025 and end 2027; encouraging portfolio developments

- Total cash proceeds from exits of £68.1m (2024: £183.4m)
- Hinge Health floated on NYSE. £18.4m total 2025 proceeds. Remaining £16.8m exited in early 2026
- Sale of Monolith to Nasdaq-listed CoreWeave, Inc.
- £914m of total capital raised by portfolio companies (2024: £784m)
- Invested £70.5m across 31 companies, reflecting maintained capital discipline
- Portfolio company fund raises included Artios (USD$115m), Oxa (US$103m), OXCCU (£20.75m) Accelercomm (USD$15m) and Lumai (US$10m)
- Strong pipeline of significant milestones through to the end of 2027 including exposure to AI-enabling technologies

Continued focus on funds under management

- Raised £29.0m of third-party funds (Parkwalk) – third-party AUM £557m (2024: £678m); reduced by several successful realisations
- Parkwalk and Northern Gritstone launched Northern Universities Venture Fund
- Group well placed to benefit from the reforms underway as major pension providers respond to the Mansion House Accord

Maintained financial strength and discipline/focus on shareholder returns

- Strong balance sheet and liquidity with gross cash of £211.0m (2024: £285.6m)
- Completed £75m buyback programme retiring 9% of share capital in the year

Post period-end update

- Working with Aberdeen to manage a portfolio of early-stage and growth investments in the UK
- Further £30m accumulated for future shareholder returns

"2025 was a notable year for IP Group. Pfizer's acquisition of Metsera highlighted the strength and value of licensing activities in the obesity drug space where we hold valuable rights to several promising programmes. This drove a return to NAV growth. A further highlight was the successful IPO of Hinge Health on the NYSE, an investment from which we have now fully exited following the sale of our remaining holding in early 2026. We also delivered strong cash realisations, allowing us to retire almost a tenth of our shares in issue through buybacks, while maintaining a robust liquidity position. We are also pleased to be working with Aberdeen to manage a portfolio of early stage and growth investments in the UK, further extending our ability to support the next generation of innovation led businesses. As one of the world's most experienced university IP investors, our unique model – combining deep partnerships with leading research institutions and access to long-term committed capital – positions us to support breakthrough science from inception to scale. We remain focused on creating long-term value for our shareholders while driving innovation that addresses some of society's most pressing challenges."

Greg Smith
CEO

AT A GLANCE.

A pioneer in science and technology investing, with a track record of realising value built over 25 years.

Our key differentiators

Purposeful thematic focus

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

Access to unique opportunities

Our strong networks and relationships with world-leading academic research institutions give us extensive access to an exciting portfolio of early-stage technology companies.

Expert team

We are 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, world changing 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 scale-up companies and realise value at the most appropriate time.

Leading 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:

Pfizer obesity royalty interest: GLP-1 obesity and weight-loss treatment compounds. IP Group owns and exclusively licenses certain underlying IP relating to these compounds and future drug programmes undertaken by Metsera, including its lead product 'PF'3944.

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. Offers real-time data analysis for rapid, dynamic insights.

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.

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

Mission Therapeutics: Novel therapeutics that combat serious diseases including Parkinson's Disease by enhancing mitophagy to improve overall cellular health.

Nexeon: Groundbreaking silicon-based anode materials to dramatically enhance the performance of Lithium-Ion batteries.

Three thematic focus areas

HEALTHTECH	Read more on pages 14 to 18
DEEPTECH	Read more on pages 14 to 18
CLEANTECH	Read more on pages 14 to 18

Culture and values

INTEGRITY.	
Committed to doing the right thing, in the right way.	Do the right thing, at the right time and the right way, even when no one is looking. 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.

PURPOSE.	
Bold and focused in the pursuit of our mission.	Dedicated to accelerating the power of science for a better future, and to delivering market-leading returns. Perseverance, collaboration and commitment. Success will not often come quickly, and cannot be achieved alone.

GROWTH.	
Driven by finding a better way to do things.	Always looking for new and innovative ways to do things better. 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.

CHAIR'S STATEMENT.

"The intersection of thematic investment strategies in proven but early-stage technology is creating fresh opportunities that play to the strengths of IP Group."

Sir Douglas Flint
Chair

In 2025, the Group concentrated on continuing to support our leading portfolio companies together with building a pipeline of early-stage investment opportunities founded on scientific and engineering innovation.

There were a number of notable events during the year which illustrated the patient capital approach which defines the Group's investment philosophy.

In May, Hinge Health, a leading digital musculoskeletal clinic, whose roots trace back to a founding investment by IP Group in 2012, successfully launched its IPO on the New York Stock Exchange pricing at the top of the indicated range and subsequently trading up by 34%. Taking amounts realised to date and balance of £16.8m sold in early 2026, together amounting to £46.3m, the Group has generated 53x its aggregate investment.

It is impossible today not to be aware of the emerging power and transforming impact that artificial intelligence, AI, will bring to all aspects of business and lived experience. IP Group has for some time been selectively investing in technology companies that enable or amplify AI. Monolith AI Limited, a spin-out from Imperial College London, and a pioneer in applying artificial intelligence and machine learning to solve complex physics and engineering challenges, was acquired by Nasdaq-listed hyperscaler, CoreWeave Inc, in October 2025. This was our largest disposal in the second half of last year with consideration falling predominantly into 2026.

Shareholders will also be aware that the last few years have seen an explosion of interest in and application of weight-loss, GLP-1 drugs. Scientists at Imperial College London, with whom IP Group has for a long time been a commercialisation partner, were significant contributors to the advancement of GLP-1 in the treatment of obesity. Much of the intellectual property sat within portfolio company Zihipp Limited which was spun out of Imperial College London in 2019 and was subsequently sold to Metsera Inc ('Metsera') in 2023. Imperial College London and IP Group retained a continuing interest in certain compounds being developed by Metsera, through technical and commercial milestone payments as well as future licensing royalties on net sales. Metsera was itself acquired by Pfizer in November in a fiercely competed multi-billion-dollar deal which was fought and won to gain access to Metsera's portfolio of weight-loss drug compounds. IP Group's share of these future revenue streams was valued at £128.2m as at 31 December 2025 and was the major contributor to the Group reporting a profit in 2025. More information about the compound and the assumptions underlying the value attributed are set out in the Executive Directors and Managing Partner's reviews.

These examples illustrate the long gestation periods often associated with investment in early-stage scientific discoveries as they mature to a successful scale up or exit or fall by the wayside.

There were of course setbacks and disappointments during last year, in some cases combining both encouraging and more problematic experience. Oxa completed a major funding round with key investors, but at a significant discount to prior valuation. First Light Fusion demonstrated the efficiency of its amplifier technology, setting a record for the highest pressure observed at the top US nuclear research and engineering laboratory, while having to extend its search for the funding that will enable it to develop this new strategy. Istesso published groundbreaking data from its completed phase 2b trial regarding restoring the body's inherent capacity to repair and regenerate damaged tissue. Despite missing its primary trial endpoints in the Ph2b trial, the data has led to a fresh trial to evaluate the potential of its lead asset, leramistat, to repair the musculoskeletal system. Pulmocide, meanwhile, encountered a more fundamental setback with the failure of its Phase 3 trial, a disappointing outcome following earlier promise, and underlines the inherent risk in advancing novel therapies through late stage trials.

CHAIR'S STATEMENT.

Detail on progress within the portfolio is set out in some detail in the Managing Partner's Portfolio Review and illustrates the range of breakthrough technologies in which the Group is invested. This review also notes the challenging funding environment that existed throughout 2025 which contributed both to delays in agreeing terms and also a higher impact of valuation discounts to previous rounds.

Such experience is inherent in the marketplace in which we operate. We are consciously, through investing in proven but early-stage technology yet to demonstrate scalability, accepting the risks that our investments take longer than expected to achieve commercial viability or ultimately will fail to make that breakthrough. We believe this type of investment is critical to address the known societal and economic challenges that require technological and innovative advances to be delivered and which over time will deliver appropriate financial returns to our shareholders.

It is encouraging that both the Government and City institutions are coalescing around delivering reforms that will support greater allocation of risk capital into early-stage companies focused on innovation. Within these initiatives, the Mansion House Accord and the consolidation of Local Government Pension Schemes, together with accelerated execution of the mandates of the National Wealth Fund and British Business Bank all have the potential to make important contributions. We are hopeful that we will see further traction during 2026.

Our 2025 profit of £66.9m, together with the reduction in share count from completion of the £75m share buyback programme announced in November 2025 generated a recovery in net asset value ('NAV') per share of 13 per cent to stand at 110.4p at the end of the year. Frustratingly, notwithstanding this advance, the share price discount to NAV remained elevated at 47 per cent and the closing share price at the end of last year, 58.6p, was broadly in line with where it started, albeit it recovered markedly from its low point of 34.5p during the year.

The Board remains focused on considering actions within our control that could bring the share price into greater alignment with our reported NAV. Within this, we believe consistency of our capital allocation framework, including share buybacks, together with maintaining financial resilience are critically important.

We closed 2025 with our balance sheet strong and liquidity intact. Cash proceeds in the year from disposals broadly matched investments made into portfolio companies. Gross cash and deposits exceeded £200m meeting our target for the year which took into account planned share buybacks of £45.7m in the year.

Outlook

As noted above, long gestation periods are inherent in our investment model and are particularly evident in life sciences – the Pfizer Obesity Royalty Interest being a prime example – which is why the maturity of the portfolio and the shape of the emerging pipeline are important. What is also becoming more evident is that the intersection of thematic investment strategies is creating fresh opportunities that play to the strengths of IP Group.

As Dr Mark Reilly, our Managing Partner, notes in his report, the convergence of technologies such as AI with robotics, bioengineering with digital health, and clean energy with advanced materials is enabling solutions to challenges once thought intractable.

We entered 2026 with many of our most exciting portfolio companies having raised fresh capital in 2025 to advance their efforts to scale up in areas such as sustainable aviation fuel, quantum computing, next generation 5G satellite networks and green hydrogen to name but a few. Within our HealthTech portfolio, many of our leading portfolio companies have milestone and clinical trial readouts over the next 18 months.

Over the next two years we are targeting significant cash realisations reflecting the maturity of the portfolio and the encouraging interest, in particular from pharma companies, regarding some of our life sciences companies due to release fresh data from current trials. While nothing is certain, the Board remains confident that there is significant unrecognised value within the portfolio.

This will be my final report to you as Chairman as I step down at the conclusion of the AGM in June after close to eight years in that role. It has been a huge privilege to serve in that capacity, and I shall remain keenly interested in the Group's progress both as a friend and as a committed shareholder.

Sir Douglas Flint
Chair

16 March 2026

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.

LEADING 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.

LICENSING AND ROYALTIES.

Licensing of portfolio intellectual property to create milestone and royalty income. Includes the Pfizer obesity royalty interest and a number of smaller opportunities.

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.

Exits are a fundamental driver of value creation within our model. We actively manage the portfolio with a clear focus on identifying, preparing for and executing realisations across a range of routes, including IPOs, strategic trade sales, secondary transactions and structured realisations such as royalties and licences. Exit planning is embedded throughout the investment lifecycle, with a disciplined approach to capital allocation and timing designed to maximise risk-adjusted returns, generate liquidity and recycle capital efficiently to support both future investment and sustainable shareholder returns.

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

We make appropriate returns to shareholders.

4 OUTCOMES WITH IMPACT

Addressing the world's greatest unmet challenges:

- Genetic sequencing in any environment
- Treatment of autoimmune, respiratory and other serious diseases
- Clean energy
- Cybersecurity and the prevention of fraud

Economic growth and innovation

- 600+ companies created
- 18 new portfolio investments in 2025
- Deep pipeline of future potential winners

Financial returns

- £531.6m cash realised from the portfolio over five years
- £150.9m returned to shareholders via dividends and share buybacks over five years

MARKET OVERVIEW.

Macroeconomic environment

The 2025 market environment was defined by easing inflation, moderating interest rates, and clearer policy visibility across major economies. Central banks, including the Bank of England and Federal Reserve, have begun cautiously shifting from tightening cycles toward more accommodative stances as inflation trajectories stabilise. Geopolitical uncertainty remains a factor – particularly around trade, defence and supply chain resilience – but its market impact has been tempered by stronger than expected global economic performance.

Public market performance

Equity markets have entered 2025 with divergent regional momentum. UK public markets continue to lag global peers, reflecting persistent outflows from domestic equities and a shrinking listed company universe. Encouragingly, Q4 saw a strong pick-up in UK IPO activity, with 13 IPOs in the quarter, including Shawbrook and Princes Group, which raised £348m and £400m respectively.

By contrast, US markets remain structurally supported by strong corporate earnings, rapid adoption of AI technologies, and sustained capital flows into technology and communication sectors. The NASDAQ index recorded a gain of 20.4% in the year, with biotech, cleantech and technology companies all recording strong gains.

US IPO activity showed clear signs of recovery during 2025, with a number of high quality healthcare and life sciences companies successfully accessing the public markets. Hinge Health completed its IPO on the NYSE in May 2025 at the top of its pricing range, raising approximately US$437m and achieving a market capitalisation of around US$2.5–3.0bn at listing, supported by strong revenue growth and improving profitability, although post-IPO share price performance reflected continued investor selectivity for growth equities.

In the biotech sector, Metsera listed on NASDAQ in January 2025, raising approximately US$275m in one of the largest US biotech IPOs since 2022, with a strong debut highlighting investor appetite for differentiated obesity-focused assets with credible clinical data. Overall, while performance varied by company, these transactions underlined a reopening of the US IPO market for scaled, high quality businesses with clear commercial or clinical momentum.

Private venture capital ("VC") market trends

The global VC market enters 2025 still subdued relative to the 2020–2022 cycle, but with early signs of stabilisation. Deal activity remains selective, with capital continuing to concentrate in AI, life sciences and critical infrastructure technologies. UK private markets have mirrored this pattern, with lower deal volumes but improving sentiment in late 2024 and early 2025.

Portfolio company performance has remained resilient, supported by disciplined cost management and strong demand for technology solutions in healthcare, climate, infrastructure and advanced computing. VC valuations in Europe have shown tentative recovery, led by late stage rounds in high-conviction sectors.

Our portfolio companies demonstrated resilience in terms of fundraising performance, with a 16% increase in total capital raised, driven by strong fundraising activity within our HealthTech portfolio and outperforming the broader market.

Exit and fundraise dynamics

Exit activity in the VC market picked up significantly in 2025, with US VC exit values of US$300bn approximately double the levels seen in 2022-24[1]. Global fundraising figures by VC venture funds hit an eight-year low, with total funds raised of US$66bn, down 35% on 2024 figures[1].

Strategic positioning and future outlook

Structural megatrends – health innovation, AI-driven transformation and the energy transition – continue to underpin long-term value creation. IP Group remains well positioned in this environment, benefitting from:

- Strong alignment with UK Government efforts to increase pension fund investment in high-growth sectors
- Deep exposure to science-based innovation across life sciences, advanced technologies and cleantech
- A resilient portfolio entering 2026 with strengthened balance sheets and clearer pathways to scale

[1] Pitchbook/NVCA US venture survey

MARKET OVERVIEW.

Megatrends in our thematic business sectors

HealthTech

Curing and preventing diseases to enable healthier lives

- Preventative care: innovations focused on avoiding illness, detecting disease early and promoting wellbeing
- Virtual care: use of technology to deliver care remotely to improve access, increase efficiency and maximise patient outcomes
- Precision care: tailoring medical care to an individual's unique characteristics

Megatrends

- Drug "patent cliff": more than US$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
- Use of AI in drug discovery and health tech
- Explosion of DNA sequencing as costs fall dramatically

Addressable markets

- Anti-obesity market US$150bn by 2035
- DNA sequencing market US$100bn by 2034
- Digital healthcare market US$836bn by 2031

DeepTech

Transformational change in the digital world

- AI capabilities accelerating, with benchmark test score breakthroughs and emerging agentic systems reshaping digital tasks
- Trillion dollar data centre buildouts reshaping global compute capacity
- Billions of connected devices requiring real-time and remote processing
- New technologies and powerful computing multiplying cyber threats

Megatrends

- Applied AI to solve problems in application areas including health 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 US$1tn by 2034
- Global chip market US$1.07tn by 2030
- Global autonomous vehicle market over US$100bn in 2030

CleanTech

Civilisation-risk trajectory of climate heating, driving rapid decarbonisation

- Climate and energy pressures are driving demand for technologies that strengthen decarbonisation and resilience
- 2023, 2024 and 2025 are the three warmest years ever recorded
- Critical minerals, sustainable materials and next-generation industrial processes gaining strategic prominence
- UK Government policy direction clearer and more supportive

Megatrends

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

Addressable markets

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

CEO REVIEW.

"The Group has, once again, made good progress on achieving many of its main priorities in 2025 which included returning to NAV growth, delivering cash exits, focusing on returns to shareholders and accessing further capital for the portfolio and our managed funds."

Greg Smith
CEO

Overview

2025 was an exciting year for the Group with Pfizer's acquisition of Metsera, Inc highlighting the value of our licensing activities. IP Group owns and exclusively licenses certain underlying IP relating to Pfizer's obesity drug programmes including its lead product PF'3944 as well as PF'3945, PF'4696 and PF'6795 which have the potential to deliver significant potential future royalty income.

The Group has recognised the fair value of these licences on its balance sheet, contributing to an increase in NAV per share of 12.7p, or 13%, to 110.4p at the end of 2025 (2024: 97.7p) with closing NAV of £975.1m (2024: £952.5m). This increase more than offset the impact on our NAV per share of a small number of downward adjustments in the portfolio.

In addition to this development, IP Group made solid progress in generating profitable cash realisations, recording total cash proceeds of £68.1m. IP Group finished the year with a strong liquidity position, with gross cash and deposits of £211.0m (2024: £285.6m) at year end. As outlined in last year's Annual Report, the Group dedicated 50% of its 2025 exit proceeds to buybacks, enabling us to increase the programme while reinvesting for future growth. We remain committed to this Capital Allocation Policy as previously outlined and a further £30m of cash from realisations has been accumulated that can be used for future shareholder returns.

IP Group is the UK's leading science and technology investor, having formed more than 600 science-based businesses. By starting and growing businesses driving improved health outcomes, contributing to the energy transition and enhancing the digital transformation, the Group aims to have a significant impact on some of society's biggest needs and to deliver compelling financial returns for our shareholders.

A key differentiator for the Group is our deep partnerships with leading research institutions, predominantly through Parkwalk in the UK, providing access to a pipeline of pioneering scientific research and high-potential intellectual property from leading academic institutions including the universities of Oxford, Cambridge, Bristol, and Imperial College London as well as the universities of Leeds, Liverpool, Manchester and Sheffield. The EIS funds that are managed by Parkwalk provide a complementary source of funding for the earliest stage opportunities and create a pipeline of future investment opportunities for the Group's balance sheet. This, coupled with IP Group's access to private scale-up capital, notably that managed for Hostplus, provides a flexible approach to funding across all stages of company maturity, ensuring we can support our portfolio companies from inception through growth and scaling. We are also pleased to be working with Aberdeen to manage a portfolio of early-stage and growth investments in the UK as part of a private asset solution designed to improve long-term returns for clients.

Delivery against strategic priorities

As noted in the Chairman's summary, the Group has made progress on delivering against many of the priorities that were planned for 2025. The most important of which was returning to NAV per share growth. This was achieved while delivering solid cash exits to support fresh investment, focusing on return of capital while the share price remained below NAV per share, and making further progress on accessing capital for the portfolio and our private managed funds.

As it was our priority for 2025, it is pleasing to report a positive return on NAV of 7% or £70m (2024: negative return of 17%, £208m). This was driven by the recognition of the discounted present value of the obesity drug programmes which are licensed to Pfizer. Pfizer's obesity franchise has a portfolio of promising therapeutic candidates and combinations with four programmes in clinical development and several next-generation programmes with IND-enabling studies ongoing, aimed at addressing key unmet needs via fewer injections while achieving improved efficacy and tolerability.

As noted in IP Group's 2025 half-yearly results, the Group benefits from a continuing financial interest in a number of Pfizer obesity drug programmes following Pfizer's acquisition of Metsera for up to USD$10bn in November 2025. Metsera, which acquired former IP Group portfolio company Zihipp in 2023 announced positive Phase 2b results for the most advanced of its programmes, its GLP-1 therapeutic candidate MET-097i (now designated PF'3944) in September 2025. At the JP Morgan Healthcare Conference in January 2026, Pfizer subsequently announced the initiation of a global Phase 3 programme for this candidate in late 2025, that it expected to initiate ten Phase 3 studies for PF'3944 before the end of 2026 and estimated the anti-obesity drug market size at US$150bn by 2030.

CEO REVIEW.

PF'3944 could potentially be best-in-class in a new generation of injectable GLP-1 drugs, requiring injections only once per month instead of weekly, with the potential to deliver competitive efficacy with category-leading scalability, tolerability, and convenience. The importance of this exposure was underscored by Pfizer's announcement in September of an agreement to acquire Metsera and its obesity portfolio in a transaction valued at up to US$10bn, including US$7bn in upfront cash.

Recognition of the discounted value of the Metsera licences, along with gains in our public portfolio and the positive impact of the Group's share buyback programme, more than offset the impact on our NAV of a small number of downward adjustments. As detailed in our half-yearly report, these included write-downs for Oxa (£30.5m) and Artios (£9.4m) along with the negative impact of FX translation on our portfolio which was (£7.4m) in the full year. We also saw valuation reductions in the second half of the year in Pulmocide (£24.1m) and First Light Fusion (£14.6m) as described in the Portfolio review section. Our quoted portfolio recorded a small gain of £4.1m, following a protracted period of weakness in public markets from 2022.

The performance of the Group's business units is summarised below with further detail in the Portfolio Review.

All £m unless stated	Invested	Cash proceeds	Net portfolio gain/(loss)	Fair value at 31 December 2025	Simple return on capital (%)
HealthTech	26.1	49.1	116.0	542.8	25%
DeepTech	29.3	10.5	(16.0)	144.3	(16%)
CleanTech	12.4	2.9	(24.4)	158.8	(11%)
Platform investments	2.7	5.6	(11.6)	62.2	(15%)
Total portfolio	**70.5**	**68.1**	**64.0**	**908.1**	**8%**

58% of our portfolio carrying value is concentrated in 10 holdings, and 82% in 40 companies, across the Group's three main thematic areas. The Group invested in 31 opportunities in 2025 including 11 in HealthTech, 11 in DeepTech and 7 in CleanTech. 93% of our capital was invested into the existing portfolio, with 7% being invested into new opportunities.

Our portfolio continues to be well-funded with over 78% by value of portfolio companies held at >£4m currently funded into 2027 or beyond. In 2025 (see analysis in the Portfolio review section), our portfolio companies successfully raised a total of £914m of which IP Group contributed £70m (2024: £784m, £63m). Notable transactions included the IPO of Hinge Health on the New York Stock Exchange in May, which saw the company raise £204m and which was priced at the top end of the pricing range. In addition, there were a number of fundraisings across the portfolio including for Oxa, Accelercomm, Lumai, Tado, Vytal and Mixergy; an analysis of the funding round pricing is included in the CFOO review section.

Cash exits

Following a very strong year of cash realisations in 2024, which included our largest ever cash exit through the sale of Featurespace to Visa, the Group continued this momentum in 2025, generating £68.1m of cash proceeds. More than two thirds of that amount came from the sale of stakes in five life sciences holdings – Hinge Health, Intelligent Ultrasound, Centessa, Abliva and OrganOx (via our holding in the Technikos fund). We also received initial proceeds of £3.4m from the sale of portfolio company Monolith to Nasdaq-listed CoreWeave, Inc, with a balance of c.£20m to be received in 2026.

We were particularly encouraged by the IPO of Hinge Health, further evidencing improving sentiment in public markets. Hinge Health floated on the New York Stock Exchange in May at a price of US$32 a share and traded up to a 63% premium to close the period at US$46 per share. Having sold £18.4m of our position in 2025, the Group sold the balance of our holding for £16.8m in 2026.

Continued focus on private capital under management

IP Group continued to focus on growing its private capital under management and attracted £29.0m of new third party managed funds in 2025. The Group now manages or advises £557m (2024: £678m). Approximately two-thirds of that figure, or £379m (2024: £481m), is managed by Parkwalk, the Group's specialist EIS fund management subsidiary. This reduction is largely as a result of our distributing over £50m of exit proceeds to underlying investors in 2025. This includes funds managed in conjunction with the universities of Oxford, Cambridge, Bristol, and Imperial College London. In 2025 we also launched a new EIS fund in collaboration with Northern Gritstone, covering the universities of Leeds, Liverpool, Manchester and Sheffield.

CEO REVIEW.

Parkwalk invested £20.6m in 2025 (2024: £47.2m) in the university spin-out sector across 27 companies (2024: 38 companies). A report from market data provider Beauhurst evidenced that IP Group and Parkwalk are by far the UK's leading investor in the sector. Fifteen new companies joined the Parkwalk portfolio, six positive exits were achieved, and two escrow releases from previous exits allowed for over £40m of distribution to underlying investors. Eleven portfolio companies closed funding rounds at uplifts in valuation, three unchanged, six at lower valuations and eight companies were revalued lower than their previously held valuations. These companies raised c.£96m in funding this year.

Through Parkwalk, we liaised closely with the UK Government including HMRC, on ways to improve the financial ecosystem for knowledge-intensive spin-out companies and across political parties to ensure science and innovation remains at the heart of the UK Government's growth mission. We were pleased to see the amount that can be invested into EIS qualifying companies was doubled in the November 2025 Budget.

Most of our remaining funds are managed for Hostplus, a top ten Australian superannuation fund, by the Group's Australian team. The total committed to the IP Group Hostplus Innovation Fund is A$435m, following the allocation of a further A$125m during 2024. 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.

Since the period end, IP Group is pleased to be working with Aberdeen to manage a portfolio of early-stage and growth investments in the UK as part of a private asset solution designed to improve long term returns for clients. This partnership marks a significant step in widening institutional access to the next generation of maturing, high growth, innovation led businesses while contributing to the UK's broader ambition to drive innovation focused economic growth. Following a rigorous selection process, IP Group will manage a UK focused venture allocation.

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

Buybacks accelerated in 2026

Delivering returns for shareholders, including focusing on narrowing the share price discount to our NAV per share, remains a key focus.

Under the Group's Capital Allocation Policy, a proportion of cash proceeds is reinvested and a proportion is used to deliver a cash return to the benefit of shareholders. The Directors regularly consider the mechanism to be used for such cash returns and, as previously announced, this will typically be in the form of share buybacks while the share price discount to NAV exceeds 20%.

We remain committed to this Capital Allocation Policy. Since the completion of our 2025 buyback programme, a further £30m of cash from realisations has been accumulated that can be used for future shareholder returns under our policy. The Board expects to update on timing of the commencement of the 2026 buyback programme in due course.

Since the introduction of this approach in 2021, the Group has delivered more than £150m of cash returns to the benefit of our shareholders via dividends and more significantly through share buybacks, retiring 9.4% of the share capital in 2025 and 16.2% to date. During 2025, the Group purchased 91,858,626 shares for £45.7m.

Outlook

Building on the strong progress made in 2025, IP Group enters 2026 with confidence and a clear focus on delivering sustainable growth and enhancing shareholder value. The recognition of value in our licensing activities, particularly through Pfizer's acquisition of Metsera, has highlighted the potential for meaningful future royalty income. We continue to believe the environment for high-growth science and technology businesses remains supportive and that IP Group continues to be well positioned.

Our deep partnerships with leading research institutions, coupled with access to committed capital, provide a differentiated platform for sourcing and scaling breakthrough innovation and we continue see significant opportunities to increase funds under management. Having delivered £68.1m of cash proceeds in 2025, we remain confident of our target to deliver over £250m of exits between 2025 and the end of 2027 and are focused on creating long-term value for all stakeholders while addressing some of society's most pressing challenges.

Greg Smith
CEO

16 March 2026

STRATEGIC PROGRESS.

Strategy pillars		2025 progress	Link to KPIs	Objectives for 2026
Have an impact on the world that counts	• Ensure genuine impact is a core component of our processes • Focus on thematic areas driven by the intersection of commercial opportunity, societal need and IP Group's distinctive strengths • Maintain ethical investment framework and approach	• Significant progress in Metsera obesity drug trials provides opportunity for material future royalty income from IP licensing exposure • World's first AI-enabled human genetics platform for drug discovery and development launched by Genomics • OXCCU oversubscribed series B funding round to scale sustainable aviation fuel from waste carbon • Groundbreaking data demonstrating tissue repair by Istesso investigational medicines • First full-stack silicon quantum computer built by Quantum Motion • 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	03 05 08 09	• Continue absolute focus on HealthTech, CleanTech, DeepTech sectors • Support completion of numerous clinical trials in the portfolio
Develop our unique insight, expertise and access	• Build significant knowledge, presence and investments in thematic areas, maintaining deep relationships with innovators, institutions and capital providers • Continually develop aligned Group, sector and geographical investment strategies • Capture, develop and share institutional insight and knowledge	• IP Group and Parkwalk confirmed as the UK's leading investor in the university spin-out sectors • Further integrated the investment processes between Parkwalk and balance sheet to maximise benefits of university sourcing • Consolidated balance sheet investment committees into a single entity under leadership of Managing Partner • Diverse Minds Mentorship reverse-mentoring scheme strengthens relationships and collaboration across the Group and between junior and senior colleagues	05 08	• Maintain deal-flow of distinctive new opportunities • Continue to build profile as deep sector experts with institutions, innovators and capital providers through deep-dives and other activities • Develop industry-leading AI tools to assist our investment and capital allocation processes

KEY

- 01 NAV/share
- 02 Return on NAV
- 03 Total portfolio
- 04 Simple return on capital (%)
- 05 Portfolio investment
- 06 Cash proceeds
- 07 Net overheads %
- 08 Number of new portfolio investments
- 09 Third-party assets under management

STRATEGIC PROGRESS.

Strategy pillars		2025 progress	Link to KPIs	Objectives for 2026
Accelerate value creation	• Drive short-to medium-term returns through leading portfolio companies that disproportionately impact returns and underpin the business model • Develop and apply capital allocation framework across sectors and geographies, maintaining financial strength through balancing investment, realisations and shareholder returns • Further develop access to capital across the funding spectrum • Explore bold ways of creating value	• Return to growth in NAV • Now managing or advising £557m AUM third-party funds. • Additional A$125m invested by Hostplus in the IP Group Hostplus Innovation Fund • Successful IPO of Hinge Health and subsequent partial sale of holding • Sale of Monolith Limited to CoreWeave, Inc. • Northern Universities Venture Fund launched by Parkwalk and Northern Gritstone • Progress in three leading IP licences	01 02 03 04 06 07 09	• Deliver leading company milestones • Increase managed and advised third-party capital • Continued focus on exits and revenue generation to maintain financial strength • Continue to buy back equity when NAV at >20% discount • Maintain a strong financial position so we can continue to support our balance sheet investments
Build a truly differentiated reputation	• Develop and maintain a distinctive and authentic brand for shareholders, founders and co-funders • Establish IP Group as an opinion leader in key ecosystems, including through category brands • Actively promote our financial and impact track record	• Group capital markets day and flagship event showcasing Group strategy and key portfolio companies to investors/co-investors, advisors and government bodies • Parkwalk annual portfolio showcase • Close liaison with UK Government on the financial ecosystem for knowledge-intensive spin-out companies to ensure science and innovation remain at the heart of the UK Government's growth mission		• Continue to build recognition of IP Group and Parkwalk's status as leading investors in science and technology • Continued engagement with UK Government and UK pensions industry to help shape UK early stage investing • Continued focus on IR programme
Be a home for exceptional talent	• Develop, nurture and grow our exceptional people, building and maintaining the quality of our relatively small team • Maintain an engaging, motivating employee offer that demonstrates our uniqueness • Strongly align remuneration with the achievement of our vision • Build our culture and values, celebrating diversity, inclusion, high-challenge/high-support and regenerating success	• Recognised as the top VC fund at the 2025 Honordex awards – a testament to our differentiated approach to D,E&I • ENPS score in the 'very high' category (+30) • Successful completion of our Diverse Minds Mentoring programme by first cohort • Nearly 90% of employees believe our culture is one in which diversity and diverse perspectives are valued • Remuneration Policy approved by shareholders		• Maintain employee engagement in the 'very high' category • Launch second cohort of Diverse Minds • Extend talent offer into the portfolio • Leverage AI to improve external recruitment process and succession planning process

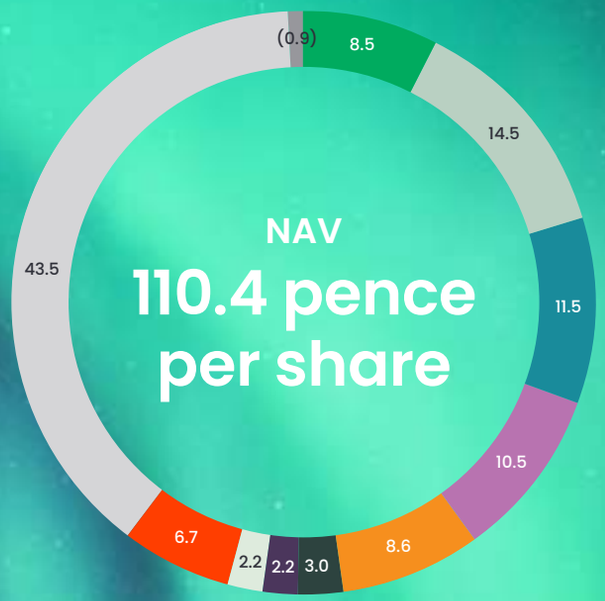
KEY

- 01 NAV/share
- 02 Return on NAV
- 03 Total portfolio
- 04 Simple return on capital (%)
- 05 Portfolio investment
- 06 Cash proceeds
- 07 Net overheads %
- 08 Number of new portfolio investments
- 09 Third-party assets under management

PORTFOLIO.

Portfolio analysis

Constituent parts of an IP Group share

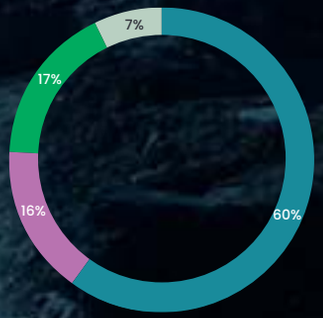


KEY

- Net cash
- Pfizer obesity royalty interest
- Oxford Nanopore Technologies plc
- Istesso Limited
- Hysata Limited
- Mission Therapeutics Limited
- Nexeon Limited
- Oxa Autonomy Limited
- Other top 10
- Remaining portfolio
- Other net liabilities

Portfolio breakdown

Portfolio breakdown	Number of companies	Fair value £m
HealthTech	33	542.8
DeepTech	29	144.3
CleanTech	17	158.8
Platform investments	5	62.2
Total portfolio	**84**	**908.1**



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

MANAGING PARTNER'S PORTFOLIO REVIEW.

"Global megatrends are not only expanding the addressable markets for innovation but are also creating unprecedented opportunities for value creation."

Mark Reilly
Managing Partner

Overview

IP Group invests in breakthrough technologies that address the world's most pressing societal and economic challenges. Our portfolio spans HealthTech, DeepTech and CleanTech, with a focus on companies that are shaping a healthier, tech-enriched and regenerative future. In addition, a small number of investments are categorised as platform investments, which are funds or portfolio companies that invest in other opportunities.

	As at 31 December 2025		As at 31 December 2024	
Sector	**£m**	**%**	**£m**	**%**
HealthTech	**542.8**	**60%**	460.9	54%
DeepTech	**144.3**	**16%**	98.9	12%
CleanTech	**158.8**	**17%**	215.3	25%
Platform investments	**62.2**	**7%**	77.0	9%
Total portfolio	**908.1**	**100%**	852.1	100%

2025 saw the acceleration of several global megatrends, reshaping the opportunity for early-stage technology investors. The digital transformation of industry and society is gathering pace, with artificial intelligence, advanced computing and cybersecurity now recognised as foundational to future prosperity. Climate technologies are scaling rapidly, driven by the urgent need for decarbonisation and energy security. In healthcare, breakthroughs in personalised medicine, gene therapies, and AI-enabled drug discovery are opening new frontiers for human health. These trends are not only expanding the addressable markets for innovation but are also creating unprecedented opportunities for value creation. The convergence of technologies such as AI with robotics, bioengineering with digital health, and clean energy with advanced materials is enabling solutions to challenges once thought intractable. In 2025, the World Economic Forum and leading analysts have highlighted that frontier technologies are moving from promise to deployment, with early-stage companies at the heart of this transformation.

Performance of key holdings

As described in the CEO's Operational Review, IP Group's biggest portfolio value movement in 2025 was delivered by our financial exposure to next-generation obesity drug candidates being developed by Metsera, Inc., valued at £128.2m within our year end net asset value. Metsera's pipeline includes four clinical-stage programmes and several next-generation assets, all targeting improved efficacy and tolerability with fewer injections, addressing a major unmet need in obesity treatment. IP Group is entitled to receive future returns from these compounds through a combination of milestone payments, and tiered, low-single digit percentage royalties on net sales of the licensed products. It is important to note that the above numbers are stated after allowing for the fact that 50% of all monies received by the Group from Metsera will be payable to Imperial College London under revenue share arrangements. While the eventual approval and commercial launch of new drugs based on these compounds is not guaranteed, the positive Phase 2b results for PF'3944 and initiation of a global Phase 3 programme in late 2025 are highly encouraging.

MANAGING PARTNER'S PORTFOLIO REVIEW.

Performance of key holdings

The following table outlines the performance of the top ten constituents of our portfolio:

Company Name		Group stake at 31 December 2025 %	Net investment/ (divestment) £m	Net unrealised + realised fair value movement £m	Fair value at 31 December 2025 £m
Pfizer Obesity Royalty Interest	HealthTech	**n/a**	**–**	**126.4**	**128.2**
Oxford Nanopore Technologies plc	HealthTech	**8.4%**	**(4.0)**	**(0.6)**	**102.0**
Istesso Limited	HealthTech	**56.5%**	**–**	**1.1**	**93.0**
Hysata Pty Ltd	CleanTech	**37.0%**	**–**	**–**	**76.2**
Mission Therapeutics Limited	HealthTech	**22.3%**	**3.7**	**–**	**26.2**
North America University Innovation L.P.	Platform investments	**68.1%**	**2.0**	**(15.0)**	**22.3**
Nexeon Limited	CleanTech	**3.9%**	**(2.9)**	**3.6**	**19.8**
Oxa Autonomy Limited	DeepTech	**10.6%**	**7.5**	**(30.5)**	**19.4**
Coreweave, Inc.	DeepTech	**0.0%**	**(0.5)**	**17.4**	**18.5**
UCL Technology Fund L.P.	Platform investments	**46.4%**	**0.2**	**0.3**	**18.4**
Other investments			**(3.6)**	**(31.3)**	**384.1**
FX			**–**	**(7.4)**	**–**
Total Portfolio			**2.4**	**64.0**	**908.1**

Oxford Nanopore delivered a strong performance in 2025, with revenue of £223.9m, up 24.2% on a constant currency basis, slightly ahead of the top end of 2025 guidance. Gross margin increased by 110 basis points to 58.6% compared with 57.5% the previous year. While Oxford Nanopore reported an adjusted EBITDA loss of £(86.7)m (2024: £(117.9)m), it remains well capitalised with £302.8m in cash, cash equivalents and other liquid investments. For 2026, Oxford Nanopore noted that demand for its sensing platform remains strong and that it expects to continue to outperform versus underlying end market growth in all regions with revenue growth of 21-25% on a constant currency basis and gross margin of approximately 62%. The company also reaffirmed its commitment to reach adjusted EBITDA breakeven in 2027 and become cash flow positive in 2028.

2025 also marked the transition to a new Chief Executive at Oxford Nanopore as Chief Executive Gordon Sanghera announced he would step down after more than 20 years in the role. IP Group worked closely with Gordon through the founding, early growth and subsequent flotation of the company and we want to take this opportunity to pay tribute to him for his dedication and visionary leadership. We look forward to the outstanding platform that Gordon has created being built on by his successor, Francis Van Parys, who brings more than 20 years of experience leading multi-billion-dollar life science businesses, with a strong track record of scaling innovation-driven organisations through commercial and operational excellence.

Another of our portfolio success stories, Hinge Health, hit a major milestone in May when it listed on the New York Stock Exchange. IP Group was the first institutional investor in the company that eventually became Hinge Health when its founder Daniel Perez was still a PhD student at the University of Oxford. We realised £10.9m from our Hinge holding when it was still a private company and realised a further £1.8m through a partial sale on the day of the IPO. Our remaining stock was then subject to a "lock-in" agreement for a period of time, subsequent to that restriction being lifted we sold a further package of shares, taking the total sold in the year to £18.4m. Our remaining holding of 521,120 shares was sold in early 2026 for total proceeds of £16.8m.

MANAGING PARTNER'S PORTFOLIO REVIEW.

In the largest disposal in the second half of the year, our portfolio company Monolith, an Imperial College London spin-out that provides artificial intelligence software to engineering teams, was sold to Nasdaq-listed CoreWeave, Inc. in October. IP Group yielded an initial £3.4m in cash and £18.5m of CoreWeave convertible promissory notes from the transaction, and a further estimated £1.9m of deferred proceeds due in 2026. The sale of Monolith marks another positive exit from our stable of companies commercialising digital technologies, following the sales of Featurespace and Garrison in 2024.

In November, following positive clinical trial readouts, portfolio company Artios Pharma Limited successfully completed an oversubscribed US$115m Series D financing round. Artios, a leader in next-generation DNA damage response (DDR) therapies for cancer, will use the proceeds to expand clinical evaluation of its lead ATR inhibitor, alnodesertib, including enrolling additional ATM-negative patients in second-line pancreatic and third-line colorectal cancer, areas of high unmet need. The funding will also support the initiation of a Phase 2 trial for ART6043, a potential first-in-class Polθ inhibitor, in BRCA-mutant HER2-negative breast cancer. The round was co-led by SV Health Investors and new investor RA Capital Management, with participation from Janus Henderson Investors and strong support from existing backers. While the pricing of the round resulted in a £9.4m non cash fair value write down for IP Group, this reflected the challenging biotech funding environment rather than changes in operational progress. IP Group invested £5.4m in the round and now holds a 6.8% undiluted beneficial interest in Artios.

Our autonomous vehicle software company, Oxa, closed a significant investment round at the end of the year to support its continued commercial expansion, attracting significant new investors, including the National Wealth Fund and NVentures (NVIDIA's venture capital arm to its shareholder base. While market conditions led to a notably lower valuation than the previous round, which was reflected in the significant valuation write-down recognised by IP Group in 2025, Oxa's progress in autonomous vehicle technology and commercial partnerships remains encouraging and we continue to believe in its potential to become a genre-defining company.

Istesso, the adaptive tissue-repair company, reported that it has conducted further analysis of the data from its recent Phase 2b clinical trial in rheumatoid arthritis ("RA"). This has revealed that alongside the compelling evidence of leramistat's ability to protect bone and improve disability and fatigue responses in patients with RA, there were also signs that leramistat had a muscle-protective effect. These protective effects on both bone and muscle position leramistat for potential use as a musculoskeletal protective agent with application across a range of degenerative age-related conditions, including sarcopenia (muscle loss), osteoporosis and osteosarcopenia. In addition, in RA, leramistat offers the potential to create novel combinations with existing drugs to halt or reverse disability progression and deepen disease control.

Hysata continues to make strong progress in scaling up its high-efficiency hydrogen electrolyser technology. In February 2025, the company signed a landmark agreement with ACWA Power to deliver commercial-scale demonstrations in Saudi Arabia, using its capillary-fed electrolysis technology. This demonstration is expected to unlock significant opportunities in green hydrogen across the Gulf region. Hysata's technology remains a leader in efficiency, and the company is on track to deliver its first commercial units in 2027.

First Light Fusion has continued to make progress on its journey to transition into an IP-rich technology provider to the wider fusion sector, and in March 2025 set a record for the highest pressure observed on Sandia National Laboratories' Z Machine, achieving 3.67 TPa. This validated First Light's expertise while also opening up new research commercial opportunities in the fusion, defence and space sectors. To support the company through this transitional phase, the Group extended a convertible loan to First Light to extend its cash runway whilst the company continues to seek further third-party capital. First Light Fusion has since received interest from sector-relevant investors and we are hopeful that new funding will be secured in 2026 to enable it to further advance its new strategy.

In early 2026, Pulmocide announced that having reviewed the results of an interim analysis it had taken the decision to terminate its Opera-T Phase 3 Study with opelconazole in refractory Invasive Pulmonary Aspergillosis ("IPA"). The company will be conducting a thorough review of the unblinded data from this trial to determine potential next steps for the programme. As a result, the Group reduced the carrying value of its holding in Pulmocide by £24.1m to £0.6m.

MANAGING PARTNER'S PORTFOLIO REVIEW.

Other notable portfolio developments

OXCCU, a leader in converting carbon dioxide and hydrogen into jet fuel, was again named on Cleantech Group's 2026 Global Cleantech 100. The company successfully raised US$28m in Series B funding in September with blue-chip investors including IAGi Ventures (the dedicated corporate venturing arm of the International Airlines Group), Safran Corporate Ventures, and Orlen VC alongside reinvestment from world-class Series A participants. This new funding will enable OXCCU to accelerate its commercialisation efforts, expand its operations, and advance its next phase of technology scale-up, building on the launch of the company's OX1 demonstration plant at London Oxford Airport in 2024.

Quantum Motion Technologies delivered the industry's first full-stack quantum computer to be built using a standard silicon CMOS chip fabrication process – the same transistor technology used in conventional computers and a major milestone for the company.

In October, Mantle8, the DeepTech company pioneering natural hydrogen exploration, revealed its proprietary multiphysics technology had produced the world's first 3D images of an active underground natural hydrogen system. Natural hydrogen, produced continuously through natural geological processes, represents a potentially vast, low-carbon energy resource. Multiple academic studies including the US Geological Survey estimate global reserves at 5.6 trillion tonnes, sufficient to meet world energy demands for generations. However, without reliable exploration technology, this resource has remained largely theoretical.

In June 2025, portfolio company AccelerComm secured US$15m of funding to support delivery of its high-performance 5G technology for low earth orbit satellite networks. This technology enables Direct-to-Device ("D2D") communications between phone handsets and space-based satellite networks without specialist hardware, a sector which is predicted to grow to US$20bn by the end of the decade.

Lumai, a spin-out from the University of Oxford, is an AI accelerator startup using optics to address global computational challenges, which secured more than US$10m in new investment in 2025 to develop its revolutionary optical computing technology for use in AI data centres. Lumai's technology enables dramatic cost reduction alongside exponentially increased performance, while simultaneously minimising energy consumption, is potentially a gamechanger for the AI industry.

Slamcore, a leader in spatial intelligence software, announced the launch of Slamcore Alert, a dedicated pedestrian detection and driver alert solution. This new system immediately transforms existing industrial machines, such as forklifts and manual material handling equipment, into safety-aware assets. While the warehouse and logistics industry is increasingly focused on expensive, full scale autonomous robots, Slamcore is addressing the market's immediate need for practical solutions that maximise current resources and help protect workers.

Microbiotica, which has a proprietary microbiome profiling platform that allows it to identify whether specific bacterial strains have clinical benefits, announced in February 2026 that its Phase 1b ulcerative colitis study of MB310 had met its primary and secondary objectives. After a 3-month treatment period, clinical remission was observed in 63% of MB310 patients (versus 30% in the placebo), and, notably, 100% of the patients who responded to MB310 were still in clinical remission at a 3-month post dosing follow up. The drug was also well tolerated, with a safety profile similar to patients on placebo. These encouraging results highlight the potential of MB310 to transform the management of ulcerative colitis by delivering disease modifying, long lasting remission.

Audioscenic, a leader in 3D immersive sound projection from conventional speakers, continued to expand its product line with the launch of several AI-enhanced monitor products including those for gaming enthusiasts.

Our portfolio company Bramble Energy which focused on scalable clean energy technology entered administration in 2025 after failing to raise fresh capital. IP Group backed this Imperial College London spin-out from its early days and provided a loan to the company during the period to give it the best chance of securing the new funding needed to reach technical and commercial milestones. Unfortunately that funding could not be secured and the company made the difficult decision to cease trading, leading to a write down of £12.3m for the Group in relation to that asset.

Upcoming milestones

Many of the Group's "up and coming" portfolio companies have key developmental milestones approaching that could have a material impact on their value in the next six to eighteen months. Clinical trial results are expected from Enterprise Therapeutics and Iksuda Therapeutics. Enterprise is expected to report data from its Phase 2a trial of ETD001 for cystic fibrosis in the first half and Iksuda, which is developing next-generation Antibody Drug Conjugates ("ADCs") for difficult-to-treat cancers, is expected to complete several Phase 1 studies by H2 2026. We also anticipate that during 2026, Centessa will start a registrational study for its lead narcolepsy drug (ORX750) and Pfizer will report data from two further clinical studies from the Metsera pipeline (Phase 2b of monthly PF'3944 and Phase 1/2 of PF'3944 in combination with PF'3945).

In DeepTech and CleanTech, a number of our companies are targeting funding rounds and commercial milestones. We also expect to see further progress in Intrinsic's ReRam and HBM memory technologies, and more progress towards the deployment of Accelercomm's technology in LEO satellite constellations.

MANAGING PARTNER'S PORTFOLIO REVIEW.

Platform investments

IP Group's Platform investments portfolio comprises holdings in funds and companies that operate in a similar way to IP Group, including our interest in our US platform, North America University Innovation L.P., Oxford Science Enterprises Limited, the UCL Technology Fund and Cambridge Innovation Capital Limited, and in all of which IP Group was a founding investor. This portfolio was valued at £62.2m at 31 December 2025 (2024: £77.0m), reflecting a fair value decrease of £11.6m in the period driven by valuation reductions within North America University Innovation L.P.'s portfolio.

In 2025, the US platform's LPs agreed a restructuring of the platform which greatly reduced its operating costs while the GP seeks to optimise returns from releasing its portfolio assets. As part of this restructuring, the LPs committed to provide funding to cover the fund's operating costs for a fixed five-year period, the fund was redomiciled to the US and its administration was transitioned to Anzu Partners, a highly regarded investor and fund manager. At the same time US$11.7m in SAFE notes which the Group had provided to fund the platform in 2022-24 were converted into regular units within the fund. The restructuring, including the termination of all legacy governance rights, was formalised in May 2025 and the fund was renamed North America University Innovation L.P. (formerly IPG Cayman L.P.).

Other portfolio disclosures

Number of investments by sector

	As at 31 December 2025		As at 31 December 2024	
Sector	**Number**	**%**	**Number**	**%**
HealthTech	**33**	**39%**	30	37%
DeepTech	**29**	**35%**	27	33%
CleanTech	**17**	**20%**	20	24%
Platform investments	**5**	**6%**	5	6%
Total number of portfolio investments[1]	**84**	**100%**	82	100%

[1] 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 expected cash-out dates (the date by which portfolio companies are projected to need to have raised further funding) of portfolio companies in which IP Group's investment holding value is greater than £4m. The values in the below table show the IP Group portfolio value which falls within each of the cash-out periods.

	31 December 2025	
Cash out date[1]	**£m**	**%**
2026 H1	**34.2**	**6%**
2026 H2	**99.1**	**16%**
2027	**176.5**	**28%**
2028+	**147.9**	**24%**
Funded to breakeven	**160.0**	**26%**
Total companies > £4m value	**617.7**	**100%**
Companies < £4m value	**74.7**	
Interest in Limited Partnerships and Platforms	**62.2**	
Fair value of cash flows from intangible assets	**99.1**	
Deferred and contingent consideration	**54.4**	
Total portfolio	**908.1**	

[1] Cash out dates based on portfolio company forecast as at publication date of half-yearly report.

Dr Mark Reilly
Managing Partner

16 March 2026

CFOO REVIEW.

"Results for the year were a significant improvement and reflect the significant opportunity available to the Group through its exposure to Pfizer's anti obesity franchise."

David Baynes
Chief Financial and Operating Officer

- **Profit for the year of £66.9m (2024: loss of £207.0m)**
- **Net assets £975.1m (2024: £952.5m)**
- **Net assets per share 110.4p (2024: 97.7p)**
- **Net overheads for the year were £15.9m, a reduction of £3.9m from the previous year (2024: £19.8m)**

I am pleased to report, as outlined above, that the results for the year were a significant improvement and reflect the significant opportunity available to the Group through its exposure to Pfizer's anti obesity franchise. The valuation of the associated licence is expected to be a material driver of future valuation growth.

As part of a year end assessment, IP Group has revisited its designation as an investment entity under IFRS 10. Historically, this assessment had been finely balanced with IP Group concluding it was not categorised as an investment entity. However, the value attributed to the licence has tipped that assessment in favour of investment entity classification, and the Group has therefore adopted the investment entity basis. This approach is consistent with that taken by most of our peers for external reporting.

The effect of this change is that certain subsidiaries are no longer consolidated in the statutory accounts – instead the value of all assets and liabilities within these subsidiaries are shown in a single line (Investments in investment entity subsidiaries) in the Group balance sheet, reflecting the overall net assets of these subsidiaries. For the avoidance of doubt, these entities remain 100% owned and fully controlled by the Group. They include subsidiaries that hold a significant proportion of the Group's cash and deposits. For this reason, some of the balances will look different year-on-year, particularly the cash balance, most of which is now incorporated in the investments line. We have prepared the tables below on a line by line consolidation basis to allow comparison of key balances across the two years, and included a new unaudited 'pro forma' balance sheet which is presented after our financial statements.

Consolidated statement of comprehensive income

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

	Year ended 31 December 2025 £m	Year ended 31 December 2024 £m
Net portfolio profit/(loss)[1]	**64.0**	(195.0)
Deferred tax recognised within investment entity subsidiaries	**8.4**	–
Net overheads[2]	**(15.9)**	(19.8)
Foreign exchange loss/gain on movement	**(0.1)**	2.7
Restructuring costs – labour	**–**	(2.4)
Restructuring costs – professional	**–**	(0.3)
Administrative expenses – share-based payments charge	**(2.4)**	(1.9)
Carried interest plan and other deal incentives credit	**7.0**	7.9
Net finance income	**3.8**	2.1
Taxation	**2.1**	(0.3)
Profit/(loss) for the year	**66.9**	(207.0)
Other comprehensive income/(expense) (FX on retranslation of foreign subsidiaries)	**0.3**	(3.0)
Total comprehensive profit/(loss) for the year	**67.2**	(210.0)
Exclude:		
Share-based payment charge	**2.4**	1.9
Return on NAV[1]	**69.6**	(208.1)

1 Defined in note 29 Alternative Performance Measures.

2 See net overheads table below and definition in note 29 Alternative Performance Measures.

CFOO REVIEW.

Fair value movements

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 and include changes in the fair value of licensing assets which have been recognised for the first time in 2025 as a result of the change in investment entity basis described earlier in this section. These movements are analysed in detail as follows:

	2025 £m	2024 £m
Quoted equity and debt investments	**4.1**	(52.0)
Private equity and debt investments	**(31.7)**	(123.5)
Investments in Limited Partnerships	**(10.4)**	(13.1)
Recognition of fair value of cash flows from intangible assets following change of investment entity status	**109.4**	–
FX translation	**(7.4)**	(6.4)
Net portfolio gains/(losses)	**64.0**	(195.0)

A summary of the largest positive and negative net portfolio fair value movements is as follows:

Gains	£m
Pfizer Obesity Royalty Interest	126.4
Monolith AI Limited	17.4
RAGE Biotech Pty Ltd	6.8
Carrick Therapeutics (Licence)	6.0
Technikos LLP	4.3
Other Quoted	6.9
Other Private	43.9
FX translation	1.0
Total	**212.7**

Losses	£m
Oxa Autonomy Limited	(30.5)
Pulmocide Limited	(24.1)
North America University Innovation L.P.[1]	(15.0)
First Light Fusion Limited	(14.6)
Bramble Energy Limited	(12.4)
Other Quoted	(2.8)
Other Private	(40.9)
FX translation	(8.4)
Total	**(148.7)**

1 Formerly IPG Cayman L.P.

Net overheads

	Year ended 31 December 2025 £m	Year ended 31 December 2024 £m
Other income	**7.4**	5.5
Administrative expenses – all other expenses	**(20.9)**	(22.5)
Administrative expenses – annual incentive scheme	**(2.4)**	(2.2)
Net overheads	**(15.9)**	(19.2)

Other income comprises fund management fees on our third-party managed funds and licensing and patent income. In the current period other income totalled £7.4m (2024: £5.5m) and was up by 34% year on year largely due to additional performance and 'catch up' fees earned within Parkwalk following a very successful year for exits within their portfolio.

Other central administrative expenses, excluding performance-based staff incentives, share-based payments charges and the impact of FX translation movements, have reduced by 7% from the prior period at £20.9m (2024: £22.5m) reflecting the impact of the restructuring carried out in the second half of 2024 which resulted in a significant reduction in the Group's 2023 cost run rate.

As a result of the reduced level of net overheads, which declined from £19.2m in 2024 to £15.9m in 2025, and our increased NAV value year-on-year, our net overheads as a % of NAV reduced to 1.6% in 2025.

The charge of £2.4m in respect of the Group's Annual Incentive Scheme reflects a provisional assessment of performance against 2025 AIS targets which include Group, Team, and Individual performance elements (2024: charge £1.8m).

Carried interest plan credit

The carried interest plan credit of £7.0m (2024: £7.9m credit) relates to the recalculation of liabilities under the Group's carry schemes, reflecting the unrealised portfolio losses in the period. The liabilities are calculated based upon any excess of current fair value above cost and the 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 proceeds and are only paid on the event of a cash realisation.

CFOO REVIEW.

Consolidated statement of financial position

A summary analysis of the Group's assets and liabilities from the pro-forma balance sheet is provided below:

	Year ended 31 December 2025	Year ended 31 December 2024
	£m	£m
Portfolio	**908.1**	852.1
Other non-current assets	**19.8**	1.9
Other net current assets/(liabilities)	**(3.0)**	(6.3)
Cash and deposits	**211.0**	285.6
Borrowings	**(122.8)**	(129.1)
Other non-current liabilities	**(38.0)**	(51.7)
Total Equity or Net Assets Value ("NAV")	**975.1**	952.5
NAV per share	**110.4p**	97.7p

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

Portfolio valuations

In terms of the funding round dynamics in the period, the proportion of down rounds (i.e. rounds raised at a lower valuation than the previous financing round) within the period increased marginally from the previous year at 31% (2024: 32%). For seven of the eight down rounds, impairments had been recognised already in the Group's previous full year results in anticipation of the funding round outcomes. There was, however, evidence that the funding market for private companies remains challenging, resulting in the Group recognising funding-related valuation reductions in Oxa (£30.5m), Bramble (£12.4m) and First Light Fusion (£14.6m).

2025 saw an increased level of capital raised by the portfolio compared to 2024, with £914m raised (2024: £784m), of which the majority (93%) was raised as equity with only 7% raised as debt. Of this amount £199m related to the Hinge Health IPO and £217m related to Centessa's underwritten public offering. In line with long term trends, IP Group contributed around 7% (10%) of the total capital raised by our portfolio in the period.

In the year we commissioned third-party valuation reports for three companies, namely Hysata, our Pfizer obesity royalty interest and Microbiotica (2024: 6 companies).

	Year ended 31 December 2025		Year ended 31 December 2024	
Analysis of priced funding rounds in private portfolio	**Number of companies**	**%**	**Number of companies**	**%**
Up round	**14**	**54%**	10	52%
Flat round	**4**	**15%**	3	16%
Down round	**8**	**31%**	6	32%
Total	**26**	**100%**	19	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 2025	Year ended 31 December 2024
	£m	£m
Quoted	**133.2**	133.1
Financing transaction (<12 months)	**177.9**	216.0
Financing transaction (>12 months)	**159.0**	53.5
Other: Future market/commercial events	**75.3**	59.6
Other: Adjusted financing price based on past performance – upwards	**–**	35.9
Other: Adjusted financing price based on past performance – downwards	**58.0**	151.7
Other: Discounted cash flow ("DCF")	**234.8**	97.2
Other: Revenue multiple	**13.4**	13.1
Other: Receipt of expected sale proceeds	**14.5**	20.1
Fair value of investments	**866.1**	780.1
Statements from LP	**42.0**	58.1
Assets held for sale[1]	**–**	13.9
Total portfolio	**908.1**	852.1

1 Assets held for sale are valued at the agreed sale price unless quoted, and hence are excluded from the valuation basis analysis.

Other assets and liabilities

Other long-term liabilities relate to carried interest (described above), and loans from LPs of consolidated funds; IP Venture Fund II LP is a fund in which the Group has a significant economic interest. 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

Most of the Group's outstanding debt relates to a £120m private placement issued in 2022 and 2023. This loan has a fixed interest rate of 5.25% and is due to be repaid with three equal maturities in December in 2027, 2028 and 2029. The Group also had a £3.1m fixed-interest loan with the European Investment Bank (2024: £9.4m), the last remaining repayment was made in January 2026 settling the loan.

Under the terms of the £120m private placement, the Group is required to maintain a minimum balance of cash and cash equivalents which includes deposits maturing within 30 days held by any subsidiary of £25m at any time, equity must be exceed

CFOO REVIEW.

£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. See Note 20 for further detail

The private placement 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.

Following the change in investment entity basis, the Group undertook a detailed review of the classification of cash and cash equivalents for reporting and financing purposes, including engagement with noteholders to ensure a shared understanding of relevant definitions. Further detail is provided in the notes to the financial statements.

Cash and deposits

At 31 December 2025, the Group's cash and deposits totalled £211.0m, a decrease of £74.6m from a total of £285.6m at 31 December 2024, predominantly due to outflows from investing activities of £70.5m, a £19.5m net cash outflow from operations, £45.7m spent on the share buyback scheme and a £6.3m cash outflow from the repayment of debt, net of an inflow of cash proceeds from the sale of equity and debt investments of £52.5m, a £10m inflow from sale of assets held for sale and distributions from limited partnerships of £5.6m. Of the total cash and deposits of £211.0m, £16.5m of cash is held in consolidated subsidiaries and the remainder in fair value investment subsidiaries.

Investments and realisations

The Group invested a total of £70.5m across 31 portfolio companies during the year (2024: £63.0m; 38) and realised cash proceeds of £68.1m (2024: £183.4m). Largest investments and realisations by portfolio company:

Investments	£m
Oxa Autonomy Limited	7.5
Artios Pharma Limited	5.4
RAGE Biotech Pty Ltd	5.4
First Light Fusion Limited	5.0
Fortify Solutions Cambridge Limited	3.7
Other	43.5
Total	**70.5**

Cash Realisations	£m
Hinge Health, Inc.	18.4
Intelligent Ultrasound Group plc	8.8
Centessa Pharmaceuticals plc	7.2
Technikos LLP	5.4
Abliva AB	5.1
Other	23.2
Total	**68.1**

Deferred consideration from both expected royalty and milestone achievement was estimated at £54.4m at 31 December 2025 (2024: £20.1m), relating to the Group's realisation of Zihipp (£36.4m, exited in 2023), Featurespace (£10.1m, exited in 2024), Enterprise Therapeutics (£3.5m, programme exited in 2020), Oxular (£2.0m, exited in 2024), Monolith AI (£1.9m, exited in 2025) and Kynos Therapeutics (£0.5m exited in 2024).

Share buyback

The Board remains committed to making regular cash returns to shareholders from realisations and these regular cash returns will normally be made in the form of share buybacks when the share price discount to NAV exceeds 20%. On 18 November 2025 the Group completed its £75m buyback programme. The buyback was originally announced on 18 December 2023 with an initial £20m, subsequently increased by £10m on 7 October 2024, £25m on 9 January 2025 and £20m on 26 June 2025. Since commencing its buyback programme, the Group has purchased 157,968,634 shares at an average price of 47.5p per share for an aggregate consideration of £75m. Of the shares acquired under the buyback programme 4,481,489 were used to settle employee share-based payments in 2024, and the remainder were cancelled. The Company's issued share capital consists of 883,427,642 ordinary shares with voting rights and there are no ordinary shares held in treasury.

Taxation

The Group typically holds at least a 10% equity holding in its portfolio companies, and as a result most of the portfolio will qualify for the Substantial Shareholdings Exemption ("SSE") on disposal. On these companies, capital gains are exempt from UK corporation tax and hence no deferred tax is recognised on capital gains at the balance sheet date for SSE-qualifying companies.

Capital gains from companies not qualifying for SSE will be at least partially offset by a deduction for the Group's current year net overheads and further reduced by using brought-forward tax losses relating largely to the Group's historic net overheads (restricted to 50% above a £5m annual threshold). As a result, the tax rate payable on any non-SSE disposals will be significantly less than the headline UK corporation tax rate of 25%. Deferred tax is calculated on non-SSE disposals and recognised through the income statement. In the current year the income statement charge was £1.5m and the cumulative balance sheet liability including amounts in fair valued companies was £3.7m.

An £8.4m asset has been recognised in respect of losses held in investment entity subsidiaries where the recognition criteria are met. We consider that there is convincing evidence that sufficient taxable income will be generated in the future, supported by the acquisition of Metsera by Pfizer for consideration of up to $10 billion and the combined probability of success across multiple programmes. Within Pfizer's anti-obesity portfolio, this includes the lead programme which has entered Phase 3 trials at the balance sheet date, and four other programmes which are in clinical trials, as well as a separate Phase 3-ready programme licensed to Carrick Therapeutics.

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

David Baynes
Chief Financial and Operating Officer

16 March 2026

KEY PERFORMANCE INDICATORS.

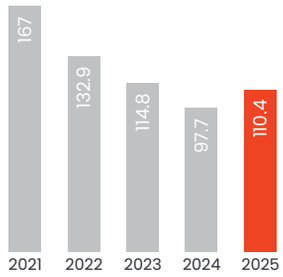
Our KPIs measure performance against our strategy.

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[1]

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



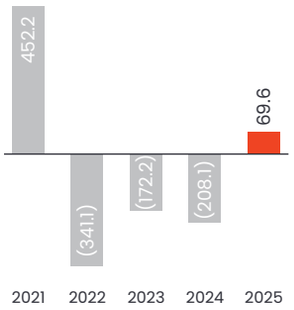
Link to strategy

Link to remuneration

Yes

02 Return on NAV £[1]

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



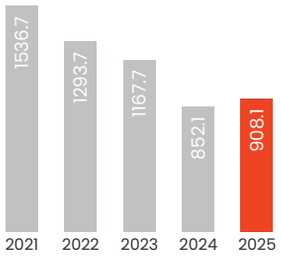
Link to strategy

Link to remuneration

Yes

03 Total portfolio £m[1]

Equity and debt investments, investments in LPs, amounts receivable on sale of equity and debt investments, and portfolio investments held within investment entity subsidiaries (including fair value of cash flows from intangible assets). Shows assets generating investment returns.



Link to strategy

Link to remuneration

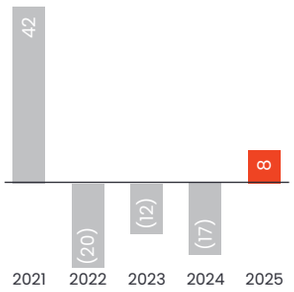
Yes

[1] Alternative performance measure. See note 29 for definition and reconciliation to IFRS primary statements.

KEY PERFORMANCE INDICATORS.

04 Simple return on capital (%)

Net portfolio gains/(losses) divided by the opening total portfolio value. A useful measure to compare annual returns.



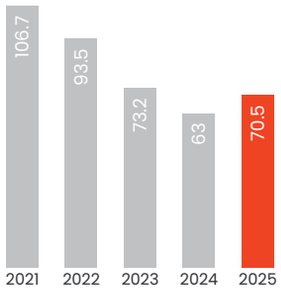
Link to strategy

Link to remuneration

Yes

05 Portfolio investment £m[1]

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



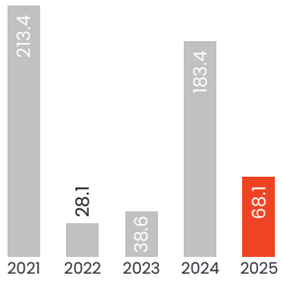
Link to strategy

Link to remuneration

Yes

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.



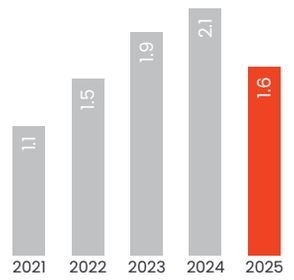
Link to strategy

Link to remuneration

Yes

07 Net overheads %[1]

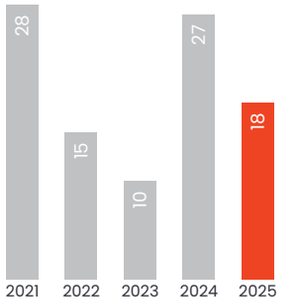
The Group's core overheads less operating income as a percentage of net assets. Reflects the Group's controllable "cash-equivalent" cost base in proportion to net assets.



Link to strategy

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.



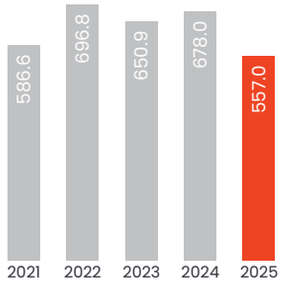
Link to strategy

Link to remuneration

Yes

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.



Link to strategy

Link to remuneration

Yes

[1] Alternative performance measure. See note 29 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 mitigate 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

Our carbon footprint and exposure to climate risk as an organisation remains low. Through our CleanTech investments in nuclear fusion, hydrogen technology and battery performance, we also have a significant opportunity to support the global transition away from fossil fuels. 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 our 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 HealthTech 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

We endeavour 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, including 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 processes. Further detail on day-to-day responsibility for ESG matters is set out on page 30.

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 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. Throughout the year, Aedhmar has attended meetings with members of our employee forum, IP Connect, where matters relevant to employees have been discussed in an informal setting, with Aedhmar then summarising the employee feedback for the Board. Whilst IP Connect will continue to be consulted on key strategic issues, going forwards Aedhmar will also meet employees from across the Group on an individual basis both in person and via video conference, to gather more informal feedback on matters which are important to employees, including the cultural development and values of the Group and more operational matters (for example, working arrangements). Further details of this employee engagement are set out on page 49.

Furthermore, 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.

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 that are relevant to the prevention of modern slavery in our organisation. These are overseen and monitored by our ESG Committee. 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.

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 2025

	Male		Female	
	Number	%	Number	%
Board	4	57%	3	43%
Executive team	7	70%	3	30%
Other senior management/Partners	12	63%	7	37%
Combined senior leadership team	19	66%	10	34%
All employees	31	48%	33	52%

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 (CFOO) 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 2025.

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 71.

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

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%	–

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	–	–	–	–	–
Percentage of senior positions	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 IP Group over the reporting period for operational office locations. These disclosures can be found in the table on page 29. See our Task Force on Climate-Related Financial Disclosures ("TCFD") disclosure on page 30.

The table on page 29 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_2e. Scope 2 emissions are reported as "location-based". Of our total reported energy consumption, 105,858 kWh was directly related to our UK operations, producing GHG emissions of 10.5 tCO_2e, 74% of our total.

MEANINGFUL IMPACT.

ESG DISCLOSURES

Energy consumption and emissions

	2021	2022	2023	2024	2025	Difference vs 2024
On-site combustion (kWh)	n/a	n/a	n/a	n/a	**n/a**	–
Electricity (kWh)	169,604	122,880	92,245	110,365	**110,162**	(0.2)%
Road transport (kWh)	17,463	n/a	n/a	n/a	**n/a**	–
Total energy (kWh)	187,067	122,880	92,245	110,365	**110,162**	(0.2)%
Scope 1 emissions (tCO_2e)	–	–	–	–	**–**	–
Scope 2 emissions (tCO_2e)	41	24	19	29	**14**	(51.7)%
Scope 3 emissions (tCO_2e)	42	103	331	218	**178**	(18.3)%
Total emissions (tCO_2e)	83	127	350	247	**192**	(22.3)%
Emissions intensity tCO_2e/FTE	0.9	1.46	3.7	2.7	**3.2**	18.5%
Emissions intensity tCO_2e/m^2	0.05	0.15	0.4	0.3	**0.2**	(33.3)%

Emissions intensity

IP Group reports two metrics: emissions/staff number in FTE, and emissions per unit of office floor area in m^2. The resulting emission intensity calculations for 2025 are:

- 3.2 tCO_2e/FTE
- 0.2 tCO_2e/m^2

Our intensity metrics increased by 18.5% for FTE and fallen by 33.3% for office floor area.

Performance

Our Scope 2 emissions fell by 51.7% vs. 2024 due to the larger proportion of renewable electricity in our purchased electricity. Scope 3 emissions fell by 18.3%, primarily as a result of less emissions intensive business travel.

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.

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 breakthrough science and technology companies with the potential to create a better future for all, including businesses whose technologies support action on climate.

Risk Management

We adopt a multi-faceted 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. The Risk Council maintains the Group's risk register and integrates ESG risks into the principal risk framework, and reports to the Audit and Risk Committee and the Board on a proportionate basis. ESG-related strategic-level risks are currently assessed as low to medium and are not currently classed as material, but they remain under active review.

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 34. 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 35.

Governance

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

The Board has delegated accountability for climate-related risk and strategy (including monitoring our commitment to becoming a Net Zero company) to the Executive Directors, with the CFOO (as chair of the ESG Committee) 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.

Committee mandates and responsibilities	
Board	The Board oversees ESG and climate-related matters, which take into account relevant climate-related risks and opportunities, with the CFOO having overall responsibility for such matters. Key matters pertaining to ESG and climate-related risks are discussed amongst the Executive Team and at the Board. Relevant updates on the Group's ESG activities, as well as key matters or considerations with respect to climate or broader ESG, are included in the 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 has responsibility for implementing the Group's ESG strategy, reviewing all key climate-related risks and opportunities and overseeing all ESG operational matters throughout the Group, assisted by the Group's legal team where necessary. The Committee is chaired by the CFOO and attended by a Non-executive Director, Director of Communications, UK General Counsel, and representatives from our investment partnerships and operational teams.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES.

Strategy

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 2025 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.

A summary of our approach and findings 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 of 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 our portfolio). The determination of risk assessed both physical risks and transition risks.

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

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

- Increasing societal imperative for climate mitigation 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 32 and 33
- 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 this transition 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 34

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.

IP Group risk summary

The 2023 analysis and subsequent reviews have 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

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

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES.

	Climate scenarios			
Risk description	**Orderly Transition**	**Disorderly Transition**	**Hot House World**	**Mitigation measures**
IP Group plc: Policy/legal risk from increasingly stringent reporting requirements around climate risk, including TCFD and SECR. **TCFD Risk category:** Policy and Legal Risks (Transition Risks)	Low	Low	Low	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.
IP Group plc: Risk of failing to incorporate climate change fully into investment screening and due diligence process. **TCFD Risk category:** Market Risk and Reputation Risk (Transition Risks)	Low	Low	Low	Formalise the incorporation of climate change specific risk screening questions in the pre-investment due diligence process.
IP Group plc: Business interruption because of extreme weather events taking electricity or telecommunications networks offline. **TCFD Risk category:** Acute Risk and Chronic Risk (Physical Risks)	Low	Low	Low	Develop back-up and resiliency plans which account for potential impacts of climate change.
Portfolio: Risk of supply chain disruption, which limits the availability of component parts required for manufacturing for certain companies. **TCFD Risk category:** Acute Risk and Chronic Risk (Physical Risks)	Low	Low	Medium	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.
Portfolio: Risk of increased cost of raw materials and production costs. **TCFD Risk category:** Acute Risk and Chronic Risk (Physical Risks)	Low	Low	Medium	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: Orderly Transition	Disorderly Transition	Hot House World	Mitigation measures
Portfolio: 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. **TCFD Risk category:** Acute Risk and Chronic Risk (Physical Risks)	●	●	●	Review product design and testing with portfolio companies that may be exposed to this risk.
Portfolio: 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. **TCFD Risk category:** Policy and Legal Risks, Reputational Risks (Transition Risks)	●	●	●	Support portfolio companies to develop business models and strategies that reduce waste and encourage re-use and facilitate recycling.
Portfolio: Risks to product deployment where companies are exposed to harsh weather conditions that may be exacerbated by climate change. **TCFD Risk category:** Acute Risk and Chronic Risk (Physical Risks)	●	●	●	Support portfolio companies where this risk may apply to factor climate conditions into product design and testing.

Portfolio risk summary

Following the 2025 testing we have adjusted our portfolio company risk summary table. The overall number and distribution of material companies in the portfolio have changed due to the valuations of our portfolio companies, including the addition of the Zihipp licences. These portfolio changes did not have a material impact on our overall key risk profile.

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.

Investment theme	Sum of total risks	Number of companies	Average risk
CleanTech	**48**	**4**	**12**
HealthTech	**112**	**6**	**18.7**
DeepTech	**17**	**1**	**17**

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.

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:

	Opportunity context	TCFD categories
Low-carbon energy generation	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. Portfolio companies in this category: First Light Fusion, Hysata, OxCCU	• Products and services • Markets • Energy source
Energy use reduction	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. Portfolio companies in this category: Helio Display Materials, Mixergy	• Products and services • Markets • Resource efficiency
Energy storage	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. Portfolio companies in this category: RFC Power, Nexeon	• Products and services • Markets • Resource efficiency
Carbon capture and water availability	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. Portfolio companies in this category: Alithic, ElectraLith	• Products and services • Markets • Resource efficiency

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 37
- Capitalise on climate opportunities by leveraging our insight, relationships, capital and expertise to continue to build our CleanTech portfolio

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 emissions 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_2e/FTE (full time equivalent employee)
- tCO_2e/m^2 (of office space)

See page 29 for our energy and emissions disclosure.

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 6.6.6(R)8(a)(b) 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.

KEY

- Full
- Partial
- Omitted

Section	Recommendation	2025 disclosure level	Reference
Governance Disclose the organisation's governance around climate-related risks and opportunities.	Describe the Board's oversight of climate-related risks and opportunities.	Full	Page 30
	Describe management's role in assessing and managing climate-related risks and opportunities.	Full	Page 30
Strategy 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.	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Full	Page 32
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	Full	Page 31
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Full	Page 31
Risk Management Disclose how the organisation identifies, assesses and manages climate-related risks.	Describe the organisation's processes for identifying and assessing climate-related risks.	Full	Page 31
	Describe the organisation's processes for managing climate-related risks.	Full	Page 31
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	Full	Page 31
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where the information is material.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management processes.	Full	Page 34
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	Full	Page 29
	Describe the targets used by the organisation to manage climate-related risks and opportunities, and performance against targets.	Full	Page 34

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 which, through regular review of risks, ensures 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, Finance Director and Group Risk Officer, 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 material 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 material 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 2025 included updating the Group's existing operational, strategic and principal risk registers; updating and testing the material controls over principal risks; and the appropriateness of our principal risks and discussion of emerging risks via a Board risk workshop.

Risk Council activity

During 2025, 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, the Risk Council focused on developing the implementation plan for the revised UK Corporate Governance Code, released in January 2024, which introduced new review and reporting requirements for material controls ("Provision 29 requirements") effective for financial years beginning on or after 1 January 2026. As part of this work, the Risk Council held further PwC-facilitated workshop sessions to finalise the Group's list of material operational, financial, compliance and non-financial reporting controls aligned to the Group's identified material risks. PwC was also engaged to perform control design and operating effectiveness testing, while the Risk Council worked closely with control owners to address areas requiring improvement. In 2026 the Risk Council will shift its focus to regular testing of the Group's material controls to firmly embed the new regime and ensure that any issues identified are resolved promptly.

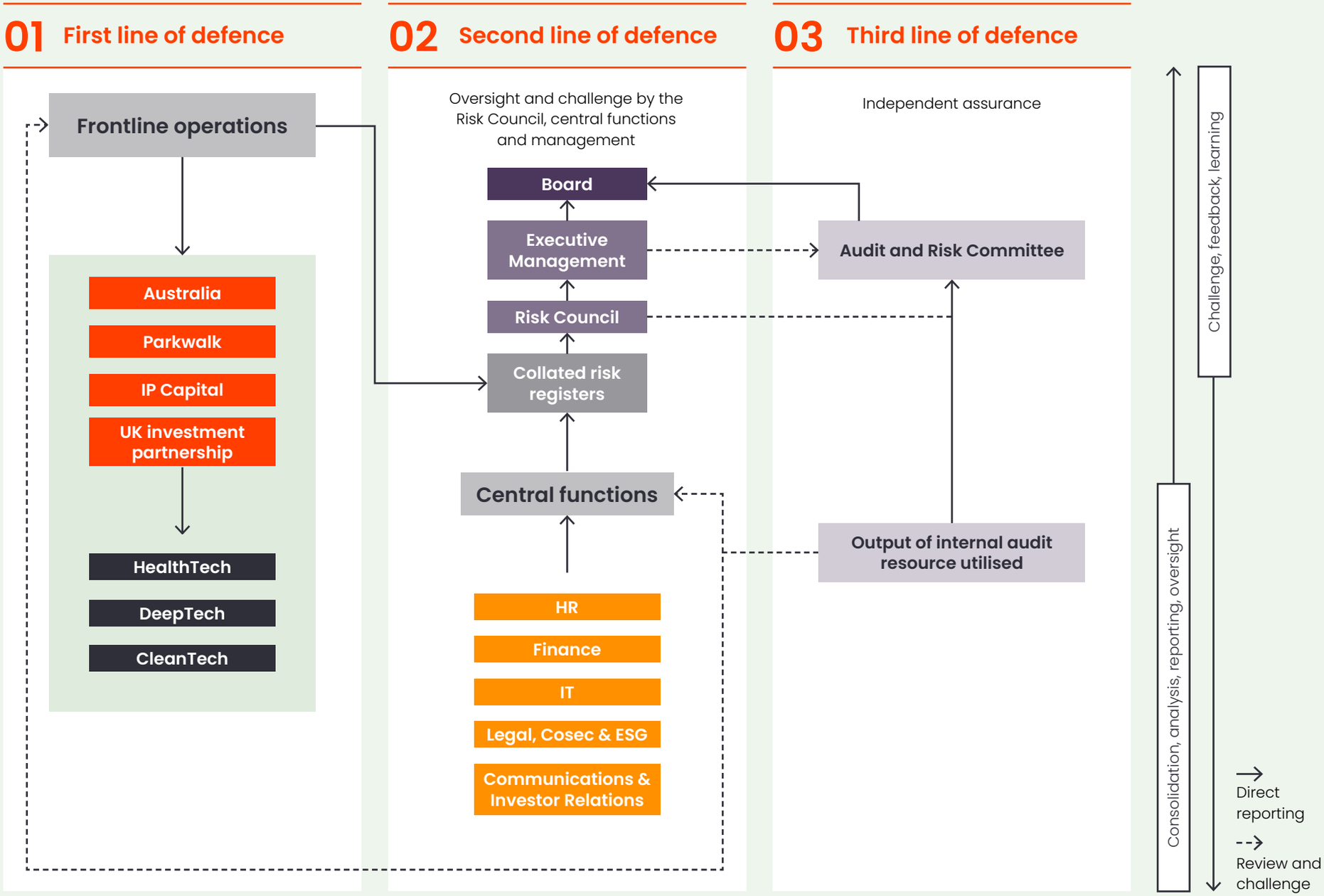
Other areas of focus for the Risk Council during the year included:

- Review of consolidated operational risk registers following annual updates
- Monitoring the completion status of remediation points raised by a 2024 internal audit review
- Review of the results of an annual testing of the Group's material controls performed by PwC's internal audit team
- Facilitating Executive team and Board risk workshops
- Monitoring of the Group's key risk indicators
- Discussing material controls, developments in the year and emerging risks with the Head of IT & Operations and the People Director in respect of Group's cyber and people risks respectively
- Review of the Group's Cyber Crisis Response Framework and oversight of annual simulation training
- Other procedural matters including overview of the completion status of e-learning programmes, review of the Group's conflicts register 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 on the design and operating effectiveness of the Group's material 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



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 67 of the Corporate Governance Statement and page 93 of the Audit and Risk Committee Report, while further disclosure of the Group's financial risk management is set out in note 4 to the consolidated financial statements. Following the 2025 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.

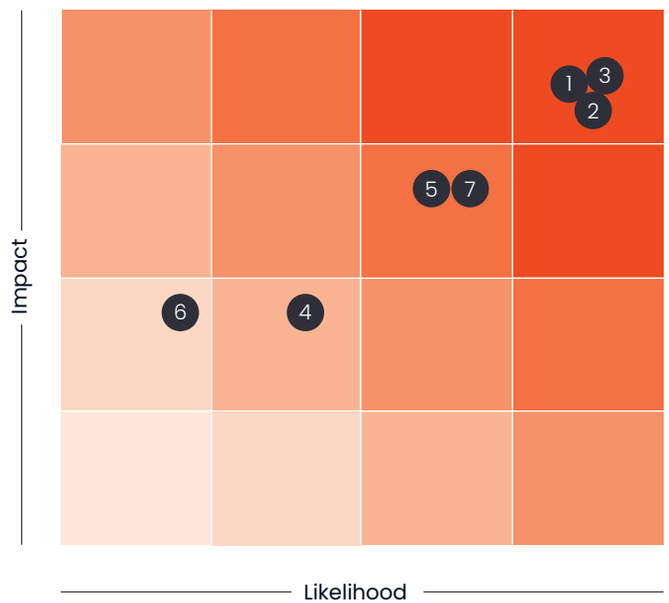
As part of the Group's preparation for the forthcoming internal controls regime, a workstream to identify the Group's material risks was undertaken. This assessment reviewed all existing strategic level risks to the Group and from this list approximately 25% of these met the threshold for materiality. None of the strategic risks identified as material mapped to the Group's "Operations" principal risk, the risk that the Group may be negatively impacted by operational issues both from a UK central and international operations perspective, indicating that this risk was no longer material to the Group. The Executive team noted that its potential impact had significantly reduced, the relevance of the risk had diminished following the discontinuation of the Hong Kong business launch and the successful establishment of the Australian business had substantially lowered the likelihood of occurrence. The Board considered these findings at its December 2025 risk workshop and agreed to remove the "Operations" principal risk.

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 12. 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 identifies and monitors emerging risks through regular updates to the Group's operational risk registers, horizon scanning and risk-severity assessments. In 2025, the Group considered several themes that, while related to existing principal risks, reflected new developments or shifts in the external environment that could alter their potential impact or likelihood. Areas monitored during the year included: (1) valuation and market risks associated with a potential correction in public markets should AI-related stocks under-deliver, which could affect sentiment and comparables for venture portfolios risk to the Group in the longer term. (2) funding and ecosystem risks, notably the increasing shortage of UK scale-up capital and the growing trend of early-stage companies considering re-domiciling to the US. (3) Broader economic, societal, geopolitical and regulatory shifts that, while encompassed within existing principal risks, have shown signs of accelerating and therefore required enhanced monitoring.



Principal risks:

1. Insufficient capital: plc
2. Insufficient capital: portfolio
3. Insufficient returns
4. People
5. Macroeconomic environment
6. Legislation/regulation
7. Cyber and IT security

2025 principal risk scoring

Risk appetite ratings defined:

Very low

Following a marginal-risk, marginal-reward approach that represents the safest strategic route available

Low

Seeking to integrate sufficient control and mitigation methods in order to accommodate a low level of risk, though this will also limit reward potential

Balanced

An approach which brings a moderate chance of success, considering the risks, along with reasonable rewards, economic and otherwise

High

Willing to consider bolder opportunities with higher levels of risk in exchange for increased business payoffs

Very high

Pursuing high-risk, inherently uncertain options that carry with them the potential for high-level rewards

RISK MANAGEMENT.

01

Risk appetite

Change from 2024

The Group may have insufficient capital to deliver its investment strategy

The Group's business model relies on the recycling of capital for reinvestment 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.

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 actively monitors compliance with the NPA covenants on an ongoing basis and maintains an ongoing dialogue with its noteholders

Link to strategy

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

Developments during the year

- Cash proceeds from investments totalled £68.1m in 2025
- The Group raised £29.0m of third-party funds during 2025
- The Group remains well positioned to benefit from the Mansion House-related reforms. Investor engagement and fundraising capability were enhanced during the year
- Hinge Health completed its IPO on NYSE in 2025, increasing the liquidity position of the portfolio
- We continue to maintain an active dialogue with the Group's major equity investors and debt investors
- The Group's share price continued to trade below NAV during the year
- The quoted portfolio value saw a fair value increase of £4.1m in the year

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

KEY

Strategic pillars

- 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

Change from 2024

- Increase
- Decrease
- No change

Risk appetite

- Very low
- Low
- Balanced
- High
- Very high

RISK MANAGEMENT.

02

Risk appetite

Change from 2024

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.

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

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.

Development during the year

- The Group's portfolio raised £914m in 2025, with £70.3m (7.7%) 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 88.6% of portfolio companies valued at greater than £5m by value
- Our third-party funds had capital to deploy of £64.1m at year end
- IP Group hosted its 2025 Capital Markets Day offering investors a comprehensive update on company performance, portfolio progress and strategic positioning in the UK deeptech ecosystem.
- We continued international investor roadshows in the year in the US, UK, EU and Middle East

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

KEY

Strategic pillars

- 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

Change from 2024

- Increase
- Decrease
- No change

Risk appetite

- Very low
- Low
- Balanced
- High
- Very high

RISK MANAGEMENT.

03

Risk appetite

Change from 2024

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.

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

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.

Development during the year

- We completed three new balance sheet investments during the year, and a further 15 within Parkwalk
- Excluding the Oxford Nanopore holding, the Group held board seats on 88.6% of portfolio companies valued at greater than £5m by value
- The Group's IP licence portfolio, most notably its economic interest in Zihipp, increased materially in the year following rapid clinical development by Metsera and its acquisition by Pfizer in November 2025

Examples of risk

- Portfolio company failure directly impacts the Group's value and profitability
- Concentration of value within a small number 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

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Change from 2024

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- Decrease
- No change

Risk appetite

- Very low
- Low
- Balanced
- High
- Very high

RISK MANAGEMENT.

04

Risk appetite

Change from 2024

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.

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

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.

Development during the year

- Continued excellent employee engagement scores obtained in the year from employee engagement surveys, with eNPS of +30 remaining broadly consistent with the previous year (2024: +31), which is within the "very high" category
- Continued high frequency of employee communications from Executive Directors, People Director and other leadership team members via regular virtual and in-person all-staff meetings
- Approximately 66% of employees in place at 31 December 2025 have been with the Company for at least five years
- The Group experienced a higher number of regretted leavers within its investment teams than in previous years (2025: 3; 2024: 1)

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.

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Change from 2024

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- Decrease
- No change

Risk appetite

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RISK MANAGEMENT.

05

Risk appetite

Change from 2024

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.

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

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.

Development during the year

- Macroeconomic conditions continued to stabilise throughout 2025, with easing inflation across major advanced economies supporting expectations of a gradual shift toward monetary loosening. In the UK, annual CPI inflation declined to 3.2% in November 2025, its lowest level in eight months, indicating continued but incomplete progress toward the 2% target. The Bank of England reduced the UK base interest rate to 3.75% in December down from 4.50% earlier in the year, reflecting a gradual shift toward monetary easing as inflation moderated
- Geopolitical tensions persisted in 2025. Global conflicts and renewed trade frictions, including heightened tariff uncertainty following the US political transition, continued to shape market sentiment and contribute to wider macroeconomic uncertainty
- The Group has maintained significant cash reserves available for investment and as such is well placed to respond to macroeconomic uncertainty

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, 13% is held in companies quoted on public markets and therefore subject to market price volatility

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Change from 2024

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Risk appetite

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RISK MANAGEMENT.

06

Risk appetite

Change from 2024

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.

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

Development during the year

- Ongoing focus on regulatory compliance, including third-party reviews and utilisation of specialist advisors
- The Government announced it will increase EIS and Knowledge Intensive company investment limits, part of a wide package of entrepreneurship measures aimed at supporting start-up and scale-up investment

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.

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

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Change from 2024

- Increase
- Decrease
- No change

Risk appetite

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RISK MANAGEMENT.

07

Risk appetite

Change from 2024

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.

Actions taken by management

- The Group reviews its data and cybersecurity 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 cybersecurity training
- Network and infrastructure security systems to respond to emerging threats
- Strategic-level legal and external communications resource to supplement the Group's response resources in the event of a serious cyber incident

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 cybersecurity breach at a corporate or portfolio company level.

Development during the year

- Ongoing focus on IT security and staff training
- Continued programme of phishing and penetration testing
- Implementation of additional cybersecurity systems to provide enhanced threat detection
- A cyber attack simulation was undertaken in the year to rehearse the response to a serious cyber incident

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

KEY

Strategic pillars

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Change from 2024

- Increase
- Decrease
- No change

Risk appetite

- Very low
- Low
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- High
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VIABILITY STATEMENT.

The Directors have carried out a robust assessment of the viability of the Group over a three-year period to December 2028, 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 that 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 and; cyber and IT 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, an 80% reduction in planned realisations and a £54m decline in portfolio fair values were considered together with a series of mitigating actions, including reducing planned levels of investment, suspension of share buybacks from 2026, distressed sales of assets and the repayment of the Group's debt.

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 20 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 2028.

WORKING WITH THE GROUP'S STAKEHOLDERS.

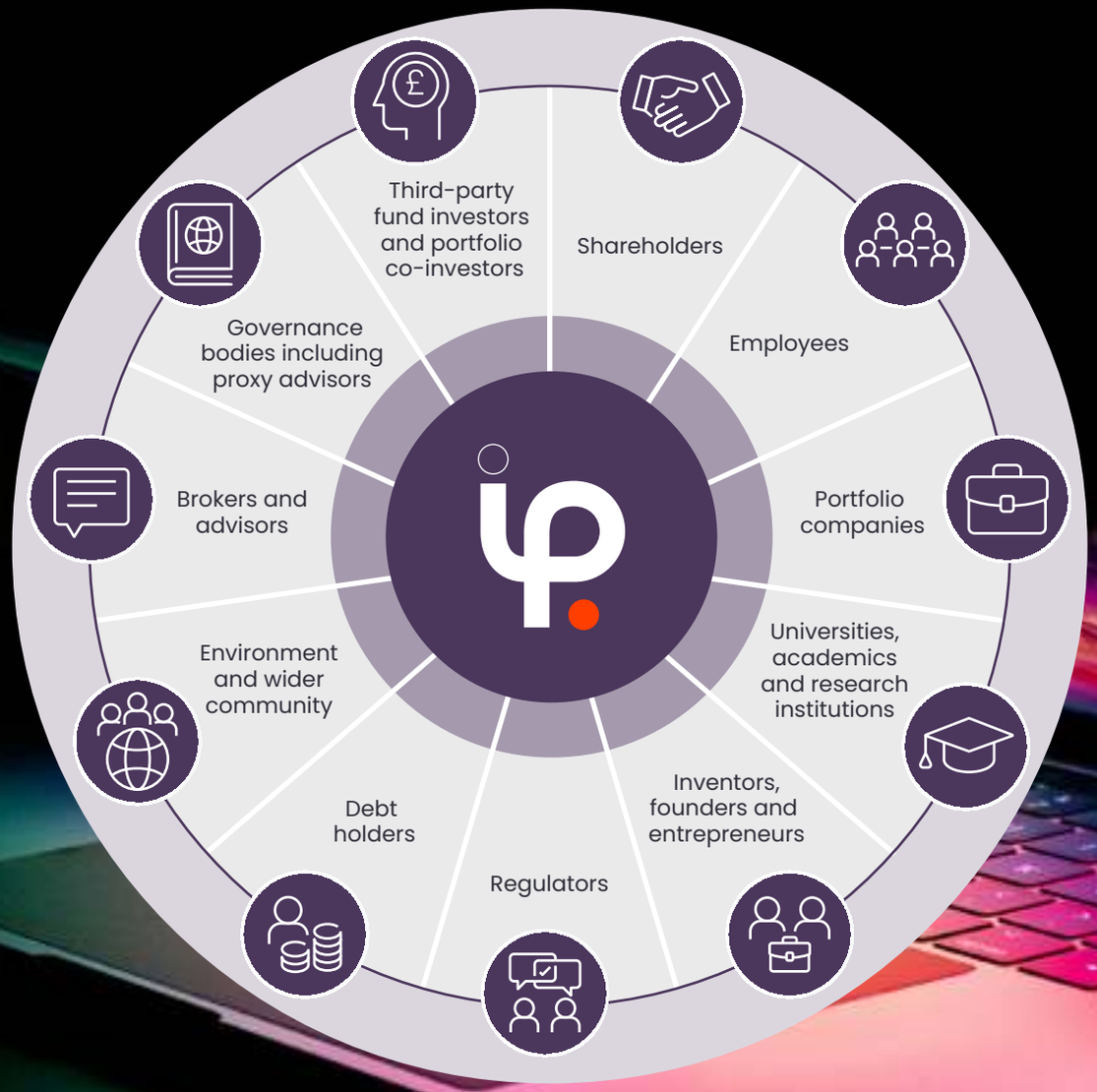
Statement by the Directors in performance of their duties in accordance with s172(1) Companies Act 2006

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 2025.

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 its future success. 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 their decisions and actions on those stakeholders. Further, such engagement enables the Group to 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
Shareholders **s.172(1)** A E F	To ensure that: • 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 • the Group fosters and maintains open and constructive relationships with its shareholders • the Board understands the issues that are important to its shareholders • the Board can seek to act fairly between shareholders of the Company	• Direct meetings/calls with individual shareholders, primarily with the Chair, Senior Independent Director, Executive Directors and senior management • Direct shareholder access to the Chair, Senior Independent Director and Board Committee Chairs relating to matters within the relevant committee's mandate • Results announcements, investor roadshows and presentations in person and broadcast via the "Investormeetcompany" platform to enable broad audience engagement and real-time Q&A • Group capital market and sector showcase events which in 2025 included the annual Group Flagship Event at the Royal Society of Chemistry • Broker-facilitated investor forums/ conferences • The Group's website, with investors being able to sign up to regulatory and portfolio company alerts • Meetings with analysts and feedback from the Group's brokers • Annual General Meeting ("AGM"), with the 2025 AGM streamed live on the "Investormeetcompany" platform. Shareholders were also able to submit questions in advance of the 2025 AGM • Annual Report and Accounts • RNS and RNS Reach announcements • Shareholder circulars • Dedicated IR and company secretarial mailboxes (IR@ipgroupplc.com and CoSec@ipgroupplc.com)	• 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 that have been most important to them in 2025; including strategy, financial performance, board composition, operating costs, capital allocation, shareholder returns and share price/ discount to NAV • Enabled broader audience engagement and the ability to engage in a real-time Q&A with shareholders on a number of occasions through the year • Shareholder views communicated during results roadshows/AGM Q&A as well as in-person meetings have been specifically taken into account in the following Board decisions: i. Board decision to increase the proportion of realisations returned to shareholders in 2025 through the share Buyback programme, as detailed on page 11; and ii. Supportive shareholder input received regarding access to third-party capital.

KEY

s.172(1) factors

A
the likely consequences of any decision in the long term

B
the interests of the Company's employees

C
the need to foster the Company's business relationships with suppliers, customers and others

D
the impact of the Company's operations on the community and the environment

E
the desirability of the Company maintaining a reputation for high standards of business conduct

F
the need to act fairly between members of the Company

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
Employees **s.172(1)** A B E	To be an attractive home for exceptional talent, which is critical to achieving the Group's strategy and vision. Meaningful engagement with employees also helps to foster a strong and supportive culture.	• IP Connect employee workforce forum, which was consulted on matters such as Executive remuneration and working practices, and provided feedback to the Board in 2025 • Designated Non-executive Director for employees who, alongside the Group People Director, attends all IP Connect meetings and has one-to-one meetings with staff on an individual basis • Regular all-staff meetings in person and via video conference, with questions encouraged • Annual all-staff events and regular staff social events • Fortnightly all-staff emails from the CEO • Staff intranet • Global third-party-hosted anonymous "speaking up" hotline and web reporting tool • Regular anonymised engagement surveys throughout the year • Internal training sessions • Women's Networking Group and associated events and initiatives/ development sessions • Internal reverse mentoring scheme	• Provided valuable input to the Board as part of the renewal of the Remuneration Policy in early 2025 and reassurance that the structure was understood and supported by employees • Feedback from employees through IP Connect and employee surveys to the Board on working practices led to an in-office working trial • Nearly 90% of employees believe our culture is one in which diversity and diverse perspectives are valued, and 96% of employees indicate that their views are respected by colleagues • Our Diverse Minds Mentorship programme ("DMM"), a bespoke reverse-mentoring scheme that has strengthened relationships across the wider Group (IP Group and Parkwalk), bridging gaps between junior and senior colleagues, promoting cross-company collaboration, and driving positive behavioural shifts

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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
Portfolio companies **s.172(1)** A C E	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. 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.	• Hands-on approach via portfolio company boards as investor directors/ observers • 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 • Group capital markets events, including presentations at sector showcase events and at the Group's annual flagship event • 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 • Introductions/facilitating access to co-investors • Attending sector conferences and events alongside portfolio companies and their management teams • Marketing, including through the use of social media to amplify messaging around the portfolio • Parkwalk annual portfolio showcase attended by investors/co-investors, advisors and government bodies • Engagement with portfolio companies, including through the ESG survey and provision of portfolio company best-practice policy tool kit.	• Development of strong and mutually supportive relationships between the Group and its portfolio companies • Portfolio companies better understand the Group's approach to strategy, decision-making processes and capital allocation • By working closely with our portfolio companies, the Board is provided with clearer insight into their results, helping to strengthen and guide valuation-related decisions. This approach was demonstrated in 2025 with Istesso, where the Board engaged directly with the company's directors to gain a better understanding of the results of their recent trial • 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 • Support in achieving completion of a number of portfolio company financing rounds • Reduction of expenditure by portfolio companies on third-party advisory services • Enables the Group to operate more effective stewardship and oversight of portfolio companies throughout the year, including outside of investment cycles

KEY

s.172(1) factors

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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
Third-party fund investors and portfolio co-investors **s.172(1)** A C E	To attract new strategic co-investors and maintain existing investor relationships, including third-party fund managers, to invest alongside the Group either directly or via a vehicle or arrangement managed by the Group. 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. To maintain strong relationships with existing investors who invest in the Group's portfolio via funds or other arrangements managed by the Group.	• Direct meetings/calls between co-investors/third-party fund investors and members of the Group's senior management team • Direct meetings with the other Limited Partners in the Group's US platform • Via portfolio company boards where several co-investors have a board seat • Attending and sponsoring conferences and sector events such as the BVCA UK Pensions Investment Summit, the Pensions Expert Annual Conference and the Local Authority Pension Fund Forum Annual Conference • Group capital markets events including its annual flagship event and its Driving Deeptech Growth in the UK event • Broker-facilitated investor forums/ conferences • Parkwalk Advisors annual portfolio showcase and other investor events	• Built/maintained strong relationships with co-investors/fund investors and facilitated access for them into portfolio company financings • Ensured such stakeholders were kept abreast of the Group's strategy and approach to key matters through the year, including capital allocation • Promoted the Group's brand and reputation in sector ecosystems • Developed sources of new investment into the Group and/or its portfolio
Universities, academics and research institutions and Inventors, founders and entrepreneurs **s.172(1)** A C E	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. To create and maintain a pipeline of compelling intellectual property-based opportunities.	• Regular interaction with universities within the UK, Europe, Australia and New Zealand • Annual relationship review in Australia and New Zealand • Parkwalk representatives on relevant university fund investment committees • Attending and presenting at sector events and conferences • Meetings throughout the year with entrepreneurs and innovators	• 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 • Generated a pipeline of potential new investment opportunities • Relationships built/enhanced with founders and entrepreneurs across various ecosystems to ensure the Group is their partner of choice

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the impact of the Company's operations on the community and the environment

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the need to act fairly between members of the Company

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
The environment and wider community s.172(1) A D	To generate social and environmental impact, which is part of the Group's core purpose.	• Via the Group's portfolio companies • Engagement with ESG ratings agencies • Support for employee-coordinated volunteering events in the UK and Australia • Signatory to Investing in Women Code • Member of UN Global Compact • Member of UN Principles for Responsible Investment	• Identified and backed companies whose products and services contribute to a regenerative, healthier, tech-enriched future for the world • Supported local and wider communities through charitable and fundraising initiatives • Continued commitment to driving improvements in inclusion, diversity and equality across the Group and wider society
Debt holders s.172(1) C E	To build and maintain strong partnerships with the Group's largest debt capital providers.	• Regular reporting requirements • Direct conversations and consultation on matters relevant to existing debt holders • Outreach to potential lenders on an ad hoc basis • Group capital market events	• Continued strong relationships with the largest holders of the Group's debt • Understood debt-holders' views on capital allocation and returns to shareholders, which enabled them to be taken into account in decisions by the Board, specifically in these areas (as referenced above)
Regulators s.172(1) C E	To maintain strong relationships with our regulators and to foster confidence in our strong compliance culture.	• Direct correspondence on transactions and other matters as necessary • Correspondence with the Takeover Panel on concert party and other code-related matters • Regular reporting to the Financial Conduct Authority, and incorporation of any feedback received • 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	• Maintained strong relationships and communication lines with the Group's regulators • Confirmation of compliance with regulatory requirements

KEY

s.172(1) factors

A
the likely consequences of any decision in the long term

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C
the need to foster the Company's business relationships with suppliers, customers and others

D
the impact of the Company's operations on the community and the environment

E
the desirability of the Company maintaining a reputation for high standards of business conduct

F
the need to act fairly between members of the Company

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
Brokers and advisors **s.172(1)** C E	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.	• Regular dialogue and correspondence with brokers and advisors, including industry analysts • Group capital markets events and sales team presentations in connection with the annual and interim results • Broker/advisors attendance at Company Board meetings to advise on specific strategic matters, shareholder feedback and sentiment and general market environment	• Reinforced the strong relationships and communication lines between the Group and the Group's brokers and advisors • Enhanced the brokers and advisors' knowledge and understanding of the Group and its portfolio companies
Governance bodies **s.172(1)** C E	To maintain strong relationships with proxy advisors, the Investment Association, ESG ratings agencies and other governance bodies.	• Engagement with ESG ratings agencies to help demonstrate the Group's performance, as well as enabling identification of areas of improvement • Engaged with the UK Government and parliamentarians on key issues and Mansion House reforms • Group CEO is a member of the London Stock Exchange Primary Markets Group • Responded to UK Government consultations on matters impacting the Group and its portfolio • Two-way engagement with proxy bodies in relation to their reports on the Group's Annual General Meeting and any other General Meetings • Regular interaction with the EIS Association and HMRC in relation to EIS investments • Regular liaison with Government-backed initiatives in relation to investment within the sector	• Made sure the Group's voice was heard on key issues relevant to the Group including on Mansion House reforms, Prospectus Rules reforms, approach to carried interest and PISCES • Ensured the accuracy of the proxy voting reports and endeavoured to influence fair voting recommendations • Ensured the ESG ratings agencies were reporting accurately on the Group's performance and proactively sought to address gaps

KEY

s.172(1) factors

A
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the need to foster the Company's business relationships with suppliers, customers and others

D
the impact of the Company's operations on the community and the environment

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the desirability of the Company maintaining a reputation for high standards of business conduct

F
the need to act fairly between members of the Company

WORKING WITH THE GROUP'S STAKEHOLDERS.

Key shareholder activities in 2025

Q1

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

Q2

- Cantor Fitzgerald roadshow
- AGM presentation*
- Capital markets event
- Portfolio company site visit
- Switzerland roadshow

Q3

- H1 results presentation*
- Results roadshow

Q4

- Berenberg Opportunities Conference
- Cantor Fitzgerald roadshows
- Berenberg European Conference
- Stifel Best of British Conference

* available via the "investormeetcompany" platform which is open to all stakeholders.

Shareholders by sector

Sector	% at 2 January 2026
Retail	25.38
Pensions	23.10
Mutual funds	22.98
Trading	8.83
Charities	4.49
Insurance	4.19
ETF	4.03
Investment trusts	3.52
Hedge	2.82
SWF	1.09
Other	0.66

Details of substantial shareholders as at 28 February 2026 can be found on page 97.

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 in its investment documentation with portfolio companies a requirement for them 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. Our Modern Slavery and Human Rights Statements can be found on our website www.ipgroupplc.com.

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.

IP Connect, the Group's employee forum, has been in operation for several years to ensure that employees' voices are heard by the Group's management team and Board. The forum was set up to facilitate meaningful and effective two-way communication between the Board (via Aedhmar Hynes, the Group's designated Non-executive Director) and employees, enabling (i) the Board to understand and actively consider the interests of employees in its discussions and the decisions it makes, and (ii) employees to understand (where practicable to do so) why certain decisions are made.

As the number of employees has reduced, this formal structure has less of a role to play. Whilst IP Connect remains in place, formal meetings will only take place to discuss key strategic issues. For example, in 2025 the group met to discuss the proposed Remuneration Policy. The Group's designated Non-executive Director now also meets employees from across the Group on an individual basis, both in person and via video conference, throughout the year. This approach, intended to provide the Board with the widest possible range of employee views, is a more effective and meaningful route for discussion between the designated Non-executive Director and colleagues. The Board considers this new structure to be a positive and appropriate method of employee engagement for a smaller overall workforce, and will continue this approach through 2026.

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.

Board processes

The Board is regularly made aware of 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. Where possible, 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 04 to 55 has been approved by the Board.

Sir Douglas Flint
Chair

16 March 2026

GOVERNANCE AT A GLANCE.

"This year, the Board has concentrated on positioning the business for long-term success and developing plans for its future."

Sir Douglas Flint
Chair

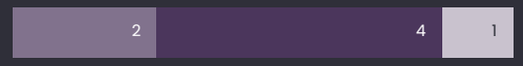
Board and Committee attendance

The following table shows the attendance of Directors at scheduled Board and Committee meetings in 2025:

Sir Douglas Flint	7/7	–	2/4[3]	3/3
Greg Smith	7/7	–	–	–
Aedhmar Hynes	7/7	5/5	4/4	3/3
David Baynes	7/7	–	–	–
Dr Caroline Brown	7/7	5/5	4/4	3/3
Heejae Chae	7/7	4/5[2]	4/4	3/3
Anita Kidgell	7/7	4/5[2]	4/4	3/3

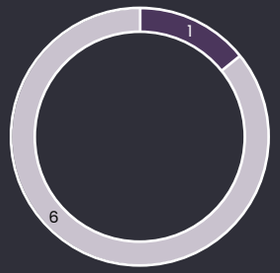
1 The Chair attends as an observer
2 Anita Kidgell and Heejae Chae were unable to attend the Audit and Risk Committee meeting on 16 December 2025.
3 Sir Douglas Flint did not attend the meetings of the Nomination Committee held on 12 June 2025 and 16 October 2025 as they related solely to the planning process for his succession.

Executive/Non-executive split



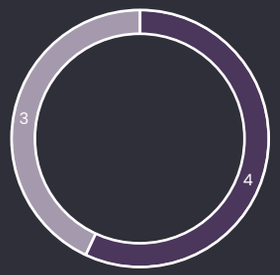
- Executive Director
- Non-executive Director
- Non-executive Chair

Board tenure



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

Gender balance



- 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	Healthtech expertise	Chair experience/capability	Strategy definition	Comms, branding, IR	Access to global networks	International experience
Sir Douglas Flint CBE Chair/Nomination Chair	●	●	●	●		●			●	●		●	●
Greg Smith Chief Executive Officer	●	●	●	●		●				●	●		
Aedhmar Hynes Senior Independent Director and Designated Non-executive Director	●			●	●		●		●	●	●	●	●
David Baynes Chief Financial and Operating Office	●	●	●		●	●	●			●	●		
Dr Caroline Brown Non-executive Director/Audit and Risk Chair	●		●	●	●	●	●					●	●
Heejae Chae Non-executive Director/ Remuneration Chair	●	●	●	●			●		●	●		●	●
Anita Kidgell Non-executive Director	●	●	●	●	●			●		●	●		●

Compliance with the 2024 UK Corporate Governance Code

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

Board leadership and Company purpose	
Board of Directors	58 to 60
Chair's Corporate Governance Statement	62 to 68
Culture	03 and 63
Employee engagement	27
Governance framework	61
Purpose	IFC
Section 172 Statement	47 to 55
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Division of responsibilities	
The role of the Board and Committees	63 to 65
Board and Committee attendance	56
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Composition, succession and evaluation	
Board biographies	58 to 60
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External audit	94
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Internal audit	94
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Remuneration	
Directors' Remuneration Report	76 to 89

BOARD OF DIRECTORS.

Sir Douglas Flint CBE
Non-executive Chair

C

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

Tenure: 7 years (renewed in September 2024)

Term of office: 3 years[1], 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 Group plc, independent non-executive director, and Chair designate, of Prudential plc (with effect from March 2026), Advisor to Envision Energy International Limited, 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.

Greg Smith
Chief Executive Officer

Effective date of current service agreement: 6 October 2021

Independent: No

Tenure: 14 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.

KEY

Audit and Risk Committee · Nomination Committee · Remuneration Committee · C Chair

[1] Subject to renewal for subsequent three-year terms as set out on page 67.

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: 6 years (renewed in August 2025)

Term of office: 3 years[1], 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.

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, 4 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[2]

None

Dr Caroline Brown

Non-executive Director

Effective date of current letter of appointment: 1 July 2019

Independent: Yes

Tenure: 6 years (renewed in June 2025)

Term of office: 3 years[1], 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 Master of Business Administration from Bayes Business School, London and is a Fellow of the Chartered Institute of Management Accountants. Caroline's experience includes 15 years in corporate finance with BAML (New York), UBS and HSBC, 15 years as an operating CFO/COO in technology and engineering businesses and 25 years chairing audit and risk committees of listed entities.

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.

KEY

Audit and Risk Committee · Nomination Committee · Remuneration Committee · (C) Chair

[1] Subject to renewal for subsequent three-year terms as set out on page 67.

BOARD OF DIRECTORS.

Heejae Chae
Non-executive Director

C

Effective date of current letter of appointment:
3 May 2018

Independent: Yes

Tenure: 7 years (renewed in May 2024)

Term of office: 3 years[1], 3 months' notice

Re-election to Board: Annually at AGM

Skills and experience

Heejae is an experienced public company director, bringing knowledge of both 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.

Anita Kidgell
Non-executive Director

Effective date of current letter of appointment:
18 January 2023

Independent: Yes

Tenure: 3 years (renewed in January 2026)

Term of office: 3 years[1], 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 and 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 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 · C Chair

[1] Subject to renewal for subsequent three-year terms as set out on page 67.

CORPORATE GOVERNANCE FRAMEWORK.

Compliance with the 2024 UK Corporate Governance Code (the "Code")

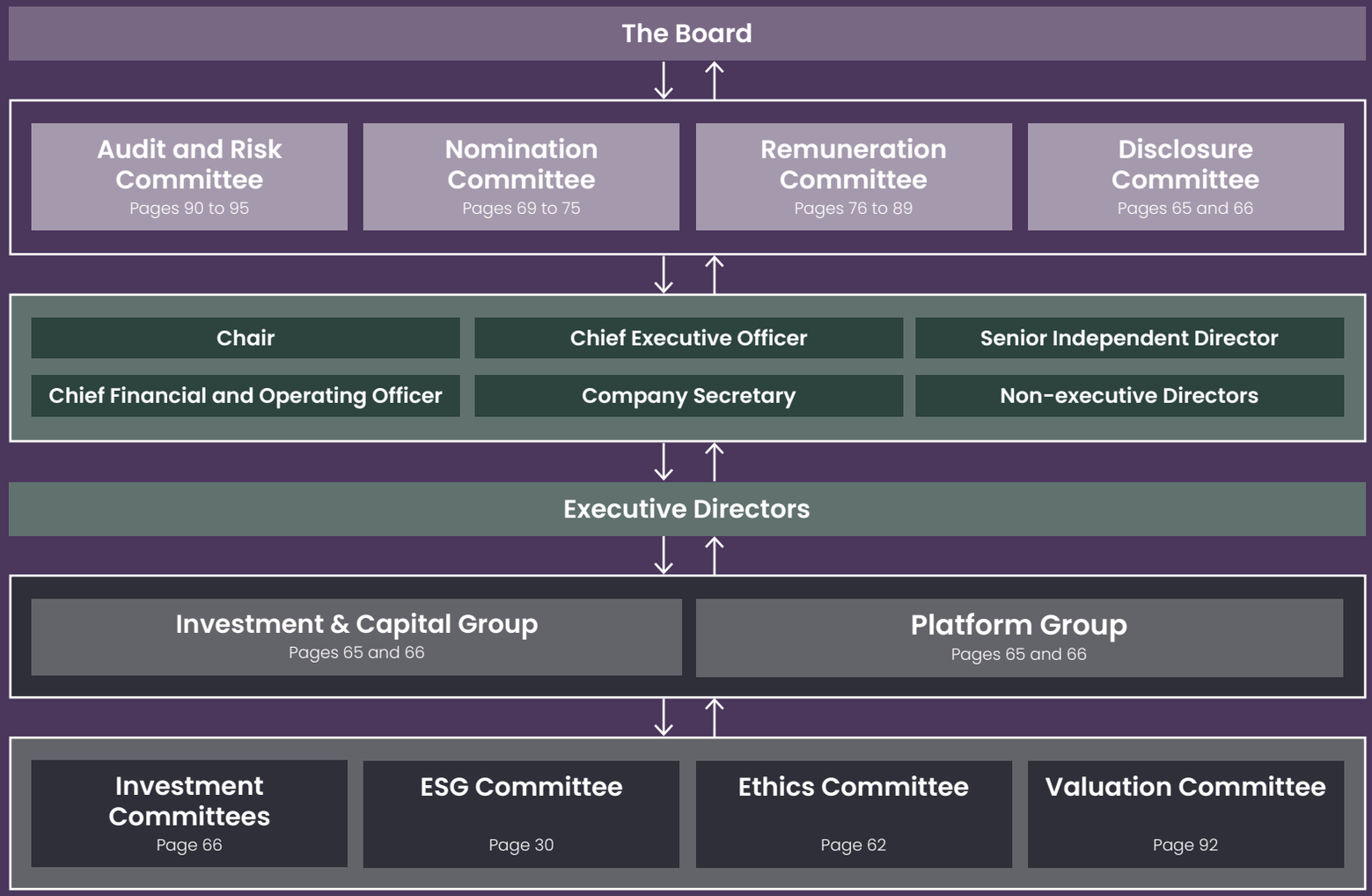
The Board is committed to meeting the high standard of corporate governance set out within the Code (available at https://www.frc.org.uk/library/standards-codes-policy/corporate-governance/uk-corporate-governance-code) and to demonstrating compliance with best practice as it develops.

The Group confirms it applied the principles and, other than as set out on page 73 of the Nomination Committee report, complied with all the provisions of the Code throughout the year.

Read **Board biographies** on pages 58 to 60

Read **Board activities** on page 65

Read **roles and responsibilities of the Board** on page 63



CORPORATE GOVERNANCE STATEMENT.

"This year, the Board has concentrated on positioning the business for long-term success and developing plans for its future."

Sir Douglas Flint
Chair

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.

Statement of compliance

The Board considers that it has applied all principles and complied with all provisions of the Code during the year under review, except Provision 21. Code Provision 21 recommends that the Chair should commission a regular externally facilitated board performance review. In FTSE 350 companies this should happen at least every three years. As the Company's last external performance review was in 2022, an externally facilitated review was due in 2025. As a result of the impending change of Chair and anticipated evolution of the Board over the short- to medium-term, the Board and Nomination Committee felt it would be prudent to delay a fully independent externally facilitated board performance review until the appointment of a new Chair is finalised, given the limited benefit of the review would not have been proportionate to the significant time and resource that would have been required to have been invested in both selecting a new independent reviewer and undertaking such review. The Company currently intends to commission an external Board performance review in 2026. The Nomination Committee did however seek some fresh perspective and insight as part of the 2025 Board review process. Further details can be found on page 73 of the Nomination Committee Report.

Board changes

There were no changes to the composition of the Board during 2025. On 14 January 2026, the Group announced that I, Sir Douglas Flint, had confirmed my intention to retire as a Director and Chair of IP Group at the conclusion of the Group's Annual General Meeting in June 2026 and I will therefore not stand for re-election. Further information on the current Board composition and the succession process for my replacement as Chair 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 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, and both have Executive Director membership. Further details on the ESG Committee and Ethics Committee, and on how the Group mitigates climate-related risk, are included on page 30.

Consideration of stakeholders

The Board recognises the importance of building and maintaining strong relationships and two-way engagement with all the Group's stakeholders 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 views 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 pages 03 and 63. 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 47 to 55.

I look forward to welcoming shareholders to our AGM on 18 June 2026, 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

16 March 2026

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 ensuring 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.

The Board is responsible for establishing, assessing and monitoring the Company's culture and for determining whether the desired culture has been embedded throughout the Group. During the year, the Board assessed how the Company's desired culture — aligned to its purpose, values and strategy — is embedded through a range of sources, including employee engagement feedback, Board and committee discussions and direct engagement between Non Executive Directors, management and employees. The Board receives regular People and Culture reports on speaking up, diversity and inclusion, employee relations and organisational structure. The Board also monitors and challenges overall performance.

The Board is satisfied that the Company's culture generally supports effective decision making, constructive challenge and long term value creation. This has been evidenced by the way strategic issues were debated during the year.

The Board is committed to the oversight of corrective action where behaviours or practices are identified that do not fully align with the desired culture. No such issues were identified in 2025. This is largely as a result of the continued collaborative working relationship between the Executive Directors, the Group People Director and the Board (particularly through the Designated Non-executive Director), and the active development of our culture as part of the continued evolution of our business and strategy. The Board will continue to monitor culture and how it is embedded as part of its ongoing oversight and will assess progress through both outcomes and behaviours, rather than activity alone.

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 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	
Chair	• Leadership and conduct of the Board, encouraging open and constructive discussion and challenge • Promotes high standards of governance and Board effectiveness, including incorporating the views and interests of stakeholders into Board decision-making • Ensures active engagement and effective communication with shareholders • Sets the Board's agenda and is responsible for ensuring the committees carry out their duties • Ensures that Board members receive timely, accurate and clear information about the Group's activities • Ensures that Board members receive appropriate induction and ongoing training on the Group's activities and their own responsibilities • Leads performance review of other Board members
Chief Executive Officer ("CEO")	• Leads on development and delivery of strategy • Leads the management of the Group and establishes financial and operational targets • Responsible for building a team that can 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 • Leads delivery of the Group's operating plans and budgets and the recommendations in respect of, and the subsequent execution of, Board decisions • Leads succession planning for the senior executive positions alongside the Group People Director and reports to the Nomination Committee thereon • Represents the Group to external stakeholders and engages with them on the Group's purpose and strategy • Leads the management of the Group in incorporating ESG factors into the Group's strategy and business model
Chief Financial and Operating Officer ("CFOO")	• Oversight and executive responsibility for the Group's financial and operational systems, processes and matters • Maintains an efficient and effective controls environment, including protecting the Group against cyber risks • 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 • Monitors operating and financial performance against the agreed capital allocation plan, budgets and targets and reports to the Board on the same • Ensures that he Group's financial structure and capacity supports the Group's objectives
Senior Independent Director	• Available to shareholders to discuss their views and concerns when required • Intermediary between the Board and the Chair • Leads the Board in deliberations where the Chair is conflicted • Leads review of the Chair's performance and on any Chair succession matters
Non-executive Directors (as part of the Board)	• Approve Group strategy and capital allocation and operating plans • Approve business and financing models • Discuss and constructively challenge executive recommendations on matters brought to the Board • Monitor and performance manage delivery of strategy and capital allocation and operating plans • Provide independent views, support and specialist knowledge • Serve on committees of the Board

CORPORATE GOVERNANCE STATEMENT.

Board activities during 2025

Principal decisions

- Approved extensions of the Group's share buyback programme
- 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

Board and Committee composition and conduct

- Reviewed succession planning for the Executive Directors, senior leadership and Non-executive Board positions, including commencing succession for 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
- Considered and approved the re-classification of the Group as an "investment entity" under IFRS 10
- Received regular updates from the Group's "AI Working Group" on how AI is being adopted across the business and where it can most effectively enhance existing processes

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 2024 internal Board performance review other than in respect of the external Board review (see more on page 73)

Stakeholders

- Considered the Company's ability to return cash to shareholders
- 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 regular 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 Managing Partner, which included detail on the short- to medium-term strategy and performance of the Group's portfolio companies
- Received regular updates from the Capital Markets Team on IP Group's third-party fund management business and progress made throughout the year to secure new funds under management

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 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. This schedule was reviewed in early 2025 and all recommended changes were accepted by the Board. The schedule will be reviewed again in 2026.

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.

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 69 to 75, 76 to 89 and 90 to 95, respectively.

The Group's Corporate Governance Framework set out on page 61 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.

The Disclosure Committee assists the Group in making timely and accurate disclosure of all information that is required to be disclosed for the Group to meet its legal

CORPORATE GOVERNANCE STATEMENT.

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.

Decisions relating to investments and divestments by the Group from its balance sheet into UK and Australian new and existing portfolio companies (other than those reserved for the Board) are delegated from the Board to the Group's Investment Committee within defined parameters and with specific quorum and voting requirements. Separate investment committees are operated by the Group for third-party funds managed by the Group in the UK (Parkwalk) and Australia. Additional executive oversight of key operating subsidiaries is provided by the CEO sitting on the Parkwalk Advisors board and both the CEO and CFOO sitting on the board of the Group's principal Australian subsidiary.

Board size and composition

As at 31 December 2025, 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 58 to 60 and details with respect to the diversity of the Board are set out on page 28.

In accordance with the provisions of the Code, all the Directors other than the Chair will be offering themselves for re-election at the 2026 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 review 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 71 and in the meaningful impact section on page 28.

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 with the Board performance review, 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 57. 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.

To protect their independence, the Group does not permit Non-executive Directors to invest personally in any of the Group's portfolio companies. All 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 and the Nomination Committee formally reviews the position annually. 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 58 to 60.

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 seven scheduled Board meetings and a two-day strategy session in 2025; seven Board meetings including a two-day strategy session are scheduled for 2026. 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 Australian business, 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 CFOO, the Managing Partner of the UK investment partnership and, by invitation, other members of the senior management. This includes bi-annual presentations from the Australian business unit and presentations from Parkwalk Advisors and the Group People Director and the Group Finance Director. These presentations ensure that all Directors are aware of, and can monitor effectively, the overall performance of the Group, the development and implementation of its strategy and its management of risk. In addition, the Board may receive more detailed presentations from selected portfolio companies, including through engaging in site visits.

CORPORATE GOVERNANCE STATEMENT.

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 at Investment Committee-level, 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 the 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 70 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 defence tactics and on shareholder sentiment on an ad hoc basis through the year.

As 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 73 to 75.

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 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 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 all material financial, operational, compliance controls and non-financial reporting controls), which are Group-wide and were in place throughout 2025, were reviewed by the Board, with no significant failings or weaknesses being identified in respect of the year ended 31 December 2025 and up to the date of approval of the Annual Report and Accounts. The Board noted certain areas where internal control enhancements were recommended and has implemented processes to ensure that these improvements are addressed by management and progress to resolution is monitored. Details of the Group's internal controls and risk management systems are provided on pages 36 to 45.

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 pages 93 and 94.

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:

CORPORATE GOVERNANCE STATEMENT.

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 36 and 37.

The Group accesses outsourced internal audit expertise provided by PwC. Details of the internal audit activity during 2025 are on page 94.

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 90 to 95.

As described on pages 36 to 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 39 to 45.

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 36.

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 2025, 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 2026.

Further details of the Group's engagement with its key stakeholders and issues that matter to such stakeholders are set out on pages 47 to 53.

Annual General Meeting

Notice of the Annual General Meeting, which will be held on 18 June 2026 at IP Group plc, 3 Pancras Square, King's Cross, London, N1C 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 best corporate governance, 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.

The Group's website (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

16 March 2026

NOMINATION COMMITTEE REPORT.

Sir Douglas Flint CBE

Chair of the Nomination Committee

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 58 to 60:

- 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

NOMINATION COMMITTEE REPORT.

Key activities in the year

The key areas of focus for the Committee in 2025 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
- Approved the re-appointment as Non-executive Directors of Anita Kidgell for her second three-year term and Aedhmar Hynes and Dr Caroline Brown for their third three-year terms, subject to their re-election at the 2026 AGM

Succession planning

- Management of the Chair succession process led by the Senior Independent Director, including the identification, engagement and management of search partners, definition of the desired role profile, and participation in both the shortlisting, candidate engagement and interview process
- A detailed review of the medium-term succession plans for all Non-executive Directors including all Committee Chair positions.
- A review of the Executive and senior management succession plans, considering contingency, medium- and long-term succession options for all key Executive positions.

Governance and I&D

- Overseeing appropriate focus upon, and progress against, Diversity, Equality and Inclusion milestones.
- A review of the terms of reference for the Nomination Committee

Performance review

- Overseeing the implementation of the actions identified during the 2024 internally facilitated performance review of the Board, its committees and each Director
- Overseeing the 2025 annual review of the Board, its committees and each Director

Meetings and terms of reference

The Nomination Committee meets as and when required, or as requested by the Board, and had four scheduled meetings during 2025. The attendance by each member of the Nomination Committee at the scheduled meetings during 2025 is set out on page 56.

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 policy and schemes
- Meetings with both Executive Directors, the Managing Partner, the Company Secretary and the other members of the Executive team
- Meetings with the Group's auditor
- 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 their management teams
- 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 FTSE250 company, and of the governance, regulatory and legislative framework within which the Board must operate

NOMINATION COMMITTEE REPORT.

The appointment process to the Board is as follows:

Role Definition

Mapping exercise of the Board's existing skills, experience, knowledge and balance to identify any gaps. Prepare and agree a detailed job specification.

Search

Nomination Committee considers whether the services of an external search consultancy, other external partner or public advertising are required, and then prepares a detailed brief for the same.

Identify

A diverse list of candidates is created and, following review by the Nomination Committee, is distilled into a shortlist. The Committee requires all shortlists to be gender balanced and will always seek to include at least one candidate from an under-represented group in the final shortlist. Candidates on the shortlist are engaged in initial discussion, usually with the Chair or the Senior Independent Director (in the event of Chair succession) to assess interest and suitability before progression to the interview stage.

Interview

Interviews with shortlisted candidates are carried out by the Chair (except for in respect of Chair or Chair designate candidates), the Senior Independent Director and at least two other Directors. Candidates will also be given the opportunity to meet key members of the management team.

Appointment

The Nomination Committee makes a recommendation to the Board and, if in agreement with the recommendation, the Board approves an offer to be made to the chosen candidate.

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 Committee monitors progress on behalf of the Board. During 2025, the Committee was pleased to note the success of the internal Diverse Minds reverse mentoring programme, continued application of the diversity-focused recruitment policy and recognition of the Group's continued general excellence in this area when it was awarded the Top VC Firm at the 2025 Honordex Awards. For more detail on this initiative, please see page 12.

The Group supports the diversity targets and recommendations of the FTSE Women Leaders Review and the Parker Review updates issued in 2020 and 2023, together with the targets set out in the Financial Conduct Authority's Listing Rule 6.6.6R(9). The table below sets out the Group's progress as against these targets.

D&I Objective	Progress
LR 6.6.R(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	Target has been met.
FTSE Women Leaders Review 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	Target has been met.
Parker Review target – IP Group has commitment to 15% of our senior management team being from an ethnically-diverse background by the end of 2027	With minimal recruitment taking place in the year, no significant progress was made against this objective in 2025, but the Group will continue to actively consider it within any recruitment activity through 2026

NOMINATION COMMITTEE REPORT.

Diversity information for the Board, senior management and the gender split for the Group as a whole, as at 31 December 2025, can be found on pages 27 and 28.

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 will continue to monitor progress in this area accordingly.

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 2025.

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 contingency plans for either internal coverage via a redesign of roles and responsibilities, and/or a plan to cover the roles with external resource for a short 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 contingency 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 2026 and beyond.

Non-executive Directors

There were no new Non-executive Director appointments during the year. The Committee did however recommend to the Board the re-appointments as Non-executive Directors of Anita Kidgell for her second three-year term and each of Aedhmar Hynes and Dr Caroline Brown for their third three-year terms, subject to their re-election at the 2026 AGM. Following the results of both the annual Board performance review and the individual Director appraisals for each of the three Directors, the Committee adjudged that each such Director remains independent in character and judgement under the Code's independence criteria, that their contributions to the Board continue to be valuable and effective and that each of their skills and experience remain aligned with the Board's future needs and succession plans.

In respect of the Board's succession plans, as set out in previous reports, the Committee is mindful of 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) coming to an end in a relatively short timeframe during 2027/28.

Given this, and as referenced in my letter within the 2025 AGM Notice, the Committee determined during the year that it would be appropriate to prioritise and formally commence the search for a new Chair to replace me. The Committee determined that sequencing Board succession in this way would optimise Board continuity, allowing time for a new Chair to embed before taking the lead on the process of refreshing the Board as other Non-executive Directors approach the end of their maximum term. The process set out on page 71 was therefore commenced in May under the direction of the Senior Independent Director.

During the second half of 2025, the Committee spent a significant amount of time progressing the Chair succession and was assisted in this matter by external recruitment advisors, SJT Consulting (see more below) and Savannah, both to undertake a market mapping exercise and to liaise with potential candidates. A number of candidates reached the interview stage of the process during 2025 and early 2026, and the Committee is hopeful that it will be able to progress to an appointment ahead of the AGM in June 2026. At that time, as was announced by the Group on 14 January 2026, I will be formally standing down as Chair and Non-executive Director and not offering myself for re-election. In the event the Committee does not achieve this timeline, it is anticipated that one of the other Non-executive Directors will take on the interim Chair role for the period needed to bridge the gap between the 2026 AGM and the new Chair commencing in that role. Savannah does not have any other connection with the Company or individual Directors.

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.

NOMINATION COMMITTEE REPORT.

Board and Committee 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, with an externally facilitated review every three years. Given the 2023 and 2024 reviews were internal reviews, the Board recognised that the 2025 review was due to have been an externally facilitated review. However, mindful of the impending change of Chair and anticipated evolution of the Board over the short- to medium-term, the Board and Nomination Committee felt it would be prudent to delay the full externally facilitated Board performance review until the appointment of a new Chair is finalised, given the significant time and resource that would have been required to have been invested in both selecting a new reviewer and undertaking such review. As such, and consistent with the anticipated timeline for the appointment of a new Chair (see above), the intention is that a full externally facilitated review with a new reviewer will be undertaken during the 2026 financial year.

In the meantime, however, the Committee was keen to ensure that the findings of the internal reviews undertaken by the Chair and Company Secretary in 2023 and 2024 were supplemented with some fresh perspectives. As a result, the Committee agreed to commission a lighter touch external review using SJT Consulting ("SJT"). The lead consultant of SJT responsible for the review, Stuart Thompson, was previously employed by the Group and undertakes other recruitment and talent-related work for the Group from time to time; accordingly, whilst external, the reviewer and this review cannot be considered fully independent.

Despite this, the Committee believes that the process undertaken by SJT and the insights provided are valid and robust and offer a fresh and valuable perspective which may not have been achieved by a wholly internal review. Stuart has significant experience of undertaking board performance reviews for other third-party public and private companies and has had minimal involvement in Board matters at the Company, both whilst an employee and latterly as a contractor.

The insights provided will enable the Board and its Committees to continue to enhance their effectiveness through improvements in decision-making quality and speed, culture, internal dynamics and approach to governance. The full externally facilitated review planned for 2026, with a newly selected independent reviewer will build on this, whilst also better reflecting the future make-up and dynamic of the Board following the Chair succession.

Board review process

SJT review of the reports and process of the last externally facilitated review undertaken (2022) and the subsequent internal reviews (2023 and 2024).

↓

Board member interviews with SJT based on an informed and robust questionnaire and including a review of progress against 2024 actions.

↓

SJT summary of outputs, development areas identified and proposed actions for the Board and (separately) each of its Committees agreed with the Chair and Company Secretary

↓

Results presented and discussed at Board and Committee meetings

↓

Actions and priorities for 2026 and beyond agreed, as set out on page 75

NOMINATION COMMITTEE REPORT.

Progress against 2025 actions

Set out below is the progress made in 2025 against actions identified through the 2024 internal Board review.

	Action	Progress
Shareholder returns	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.	During the year, the Board approved a change to the capital allocation policy for 2025 so that a larger proportion (50%) of realisations were returned to shareholders through the buyback programme given the ongoing persistence of the discount to NAV. Positive shareholder feedback was received in respect of this decision and implementation. For further details on the buyback programme, see pages 11 and 23.
Portfolio focus	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.	Scenario planning for key portfolio companies was prepared for the Board and challenged continuously throughout the year. Reporting on key portfolio companies was further improved through the year to include the risks and opportunities for each and select portfolio management teams came in to present to the Board.
Business model evaluation	Further evaluate and challenge the Group's business model to identify focus areas for its evolution; oversee any resulting actions.	Detailed scenario planning undertaken, leveraging external advisers as appropriate, and then considered at each meeting, acting as a useful forum to regularly test assumptions, challenge the model and assist in strategic prioritisation.
Succession planning and Board effectiveness	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 three 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.	See page 72 for detail of the work undertaken by the Committee in relation to succession planning and the Committee's decision-making and subsequent process around the 2025 Board performance review given the Q4 status of the Chair search.

NOMINATION COMMITTEE REPORT.

Conclusion of the 2025 review

The 2025 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 and inclusive Chair whose measured leadership had helped to maintain focus and productivity, contributing significantly to Board cohesion. The continued collegiate nature of the Board and its mission alignment were highlighted, with strong relationships generally fostering open communication and candid debate without defensiveness. Diversity of experience and background amongst the Board members was also called out as a key strength, enriching discussion and decision making.

As part of the review, Board members agreed that good progress had been made against the Board's 2025 actions. Further, an agreed set of priorities for the year ahead has been agreed for the Board.

Key priorities for the Board through 2026 include:

Theme	Actions for the Board
Performance support	KPI accountability to be further clarified and strengthened; support CEO in enhancing decision-making effectiveness.
Board effectiveness	Balance full Board and Non-Executive only sessions both during and around Board meetings to facilitate effective discussion and decision making. Streamline reporting and focus on topics which benefit directly from Board input, challenge or decision. Focus on maintaining aligned and collaborative dynamic during the forthcoming evolution of the Board.
Planning and decision-making	Continue the regular scenario planning introduced in 2025, supplementing this with clear decisions, actions and target outcomes and timeframes where appropriate. Utilise external insights when appropriate to inform Board decisions. Determine accountability for delivery of specific targeted outcomes in advance and regularly review progress.
Portfolio oversight	Retain and deepen direct portfolio focus and oversight. Strengthen Board capability through increased in-depth reporting on key thematic areas and individual assets, and supplement this through increased exposure to individual portfolio companies and their management teams.
Succession and Board evolution	Continued focus on securing the candidate to succeed as Chair, ideally ahead of the 2026 AGM; fulsome induction for the new Chair including the opportunity for Board members to spend time one-on-one with the new Chair to support effective succession in the shortest possible timescale.

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 Director 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 2026, 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), risk and strategic evolution options are all planned for 2026.

The Chair's performance is reviewed by the Senior Independent Director based on feedback from discussions with individual Directors and the resulting assessment is discussed with the Chair by the Senior Independent Director. 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 2025.

Given each of the performance reviews found that each Director continued to perform, the Committee recommends that each Director (other than the Chair who is not standing for re-election) should be recommended for re-election by shareholders at the 2026 AGM. Further details of the Directors' skills, experience and expertise are set out on pages 58 to 60.

Sir Douglas Flint
Chair of the Nomination Committee

16 March 2026

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 58 to 60:

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

Report contents

- Principal responsibilities
- Committee focus and key activities 2025
- Remuneration Policy summary
- Remuneration at a glance
- Annual remuneration statement

Principal responsibilities

The terms of reference for the Remuneration Committee were reviewed and adopted by the Board in December 2025. 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.

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

DIRECTORS' REMUNERATION REPORT.

Committee focus and key activities in 2025

During the early part of 2025, Committee focus remained on the renewal of the updated Remuneration Policy, which was published in our 2024 report and approved by c.95% of shareholders at our 2025 AGM. The Committee also worked closely with management throughout the year on remuneration outcomes for 2024, awards and objectives for 2025 and remuneration planning for 2026, including:

- Consultation with shareholders on our intended approach to the Group's Remuneration Policy in advance of its publication in early 2025
- Determination of base salary levels and total remuneration opportunity for our Executive Directors, including consideration of external benchmarking information
- Review of 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
- Direct engagement with employees on the subject of remuneration in both 2025 and early 2026 via our employee forum "IP Connect"
- Determination of the appropriate vesting level for the 2022 Restricted Share Plan ("RSP") awards in the context of performance over the vesting period and, ultimately, the decision that the awards should lapse in full
- Determination of appropriate award levels for the 2025 RSP grants, and monitoring of the 2023 and 2024 in-flight RSP awards
- Considered the Annual Incentive Scheme ("AIS") awards and Group performance targets and outturns as relevant for 2024, 2025 and 2026

Performance context

As set out in the earlier part of this report, 2025 has been an encouraging year for the Group.

Early signs of recovery in the existing private portfolio have once again been accompanied by positive realisations performance, meaning that the cash position of the Group remains strong at year end. There remains the potential to deliver further significant exits over the medium-term, providing the confidence that we can maintain a robust cash position whilst continuing to invest significantly into the portfolio.

Value derived from the patent and licensing portfolio during the year has transformative potential for the Group, and now forms a significant part of our shareholder value proposition. Initial progress in raising third-party scale up capital during 2025 will further underpin the longevity and sustainability of our business model.

Overall, the Board and Committee are pleased that having weathered the challenges posed by the macroeconomic environment through the past few years, significant performance momentum is building. It is encouraging that our investors appear to share this optimism, as reflected in our share price which recovered from lows of well under 40p in both 2024 and 2025 to just under 60p at 2025 year end, above the share price three years earlier.

Outcomes for 2025

Ensuring that our remuneration package reflects this performance recovery and supports management team continuity, whilst remaining balanced, proportionate and aligned with shareholder experience, has been a key focus for the Committee through 2025, and is expected to remain so through 2026.

With this balance in mind, the Committee determined that the calculated Annual Incentive Scheme ("AIS") outcome of 58.9% of maximum (44.2% of salary for Executive Directors) appropriately reflected 2025 performance, and therefore did not apply any discretionary adjustment. In making this determination, the Committee considered a range of factors including the impact of the change in investment entity basis, as well as wider performance through 2025 and leading indicators of future performance.

Having reviewed the 2023 RSP award vesting in detail, the Committee has determined that 75% of the award will vest in 2026. This decision follows a balanced assessment which included both consideration of broader performance in a number of areas which will result in significant value accretion for long-term shareholders. The decision also aligns with our policy objective of using the RSP to create alignment between Executive Directors and shareholders, whilst acknowledging that the NAV per share element of the underpin for the 2023 RSP grant was not met.

More detail on these decisions are set out on pages 82 and 83 of this report.

Implementation in 2026

Implementation of our remuneration structure in 2026 will be in line with the Remuneration Policy approved at the 2025 AGM.

Further detail is set out from page 80 of this report.

Employee engagement

In February 2025, Aedhmar Hynes (our Designated NED) and I directly engaged with our employee forum "IP Connect" on the subject of Executive remuneration. Aedhmar repeated this exercise in early 2026, as part of our commitment to ensure that our employees have a direct opportunity to both understand and challenge our Remuneration Policy and inform our decision-making processes.

It was reassuring to find that employees remained supportive of our overall approach to remuneration which remains well understood, and is considered by employees to be fair, equitable and reasonable in the context of our business and performance.

Structure of this report

The following pages contain a brief summary of the Remuneration Policy agreed at the 2025 AGM, information on how we intend to implement the policy during 2026 and a detailed disclosure of outcomes in respect of 2025. This information includes detail of the Annual Incentive Scheme objectives and outcomes for 2025, and our intended approach for 2026. We have also provided a visual summary of the key information in our "Remuneration at a glance" section, which can be viewed on page 79.

DIRECTORS' REMUNERATION REPORT.

Remuneration Policy summary

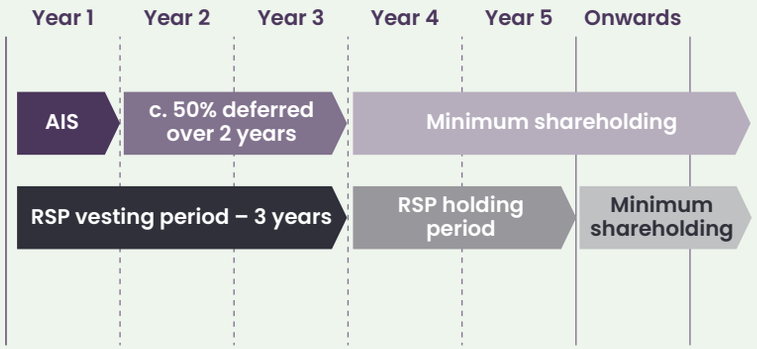
Set out below is a summary of the Remuneration Policy, which was approved by shareholders at the AGM held on 12 June 2025, and which is effective for a period of up to three years from approval. The full text of the Remuneration Policy can be found on pages 83 to 89 of the 2024 Annual Report and Accounts and is available on the Group's website at www.ipgroupplc.com.

Remuneration element	Policy summary	Rationale
Salary	Aim to be market competitive, benchmarked to both the lower half of the FTSE250 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
Pension	10% of salary (aligned to workforce)	Provision of an equitable, competitive post-retirement income to all employees regardless of seniority
Other 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)	A competitive and appropriate benefits package offered to all employees regardless of seniority
Annual Incentive Scheme ("AIS")	Maximum opportunity of 75% of salary 50% of any payment over a minimum level deferred into shares over two years Majority of outcome based on measurable financial objectives linked to strategy	Variable remuneration to recognise short-term positive outcomes which are aligned with shareholder interests A low overall quantum (very low versus UK-listed peers) set to recognise the primarily long-term nature of and potential asymmetry of performance outcomes inherent in our business model
Restricted Share Plan	Maximum award of 200% of salary (CEO) or 133% of salary (CFOO) Three-year vesting period/Two-year holding period Quantitative underpin	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
Shareholding Guidelines	Minimum shareholding requirement of 350% of salary (CEO) or 250% of salary (CFOO), with post-cessation holding requirement applying for two years after exit	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
Malus & Clawback Provisions	Discretion for the Committee to exercise the malus and clawback provisions in certain circumstances (see right), normally up until the fifth anniversary of grant of RSP awards and the third anniversary of determination of bonus awards	Protects against 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/or material corporate failure over a period aligned with the time within which Company's processes and systems are likely to uncover any of the circumstances listed above

REMUNERATION AT A GLANCE.

Policy summary: Executive Directors

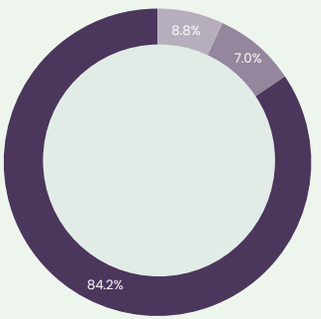
- Incentive package weighted heavily to long-term shareholder alignment
- Annual awards subject to performance over a long period



Base pay progression

	April 2026	April 2025	April 2024
Greg Smith	**4%**	0%	0%
David Baynes	**4%**	0%	0%
UK employees (Average lfl)	**4%**	1.4%	6.2%

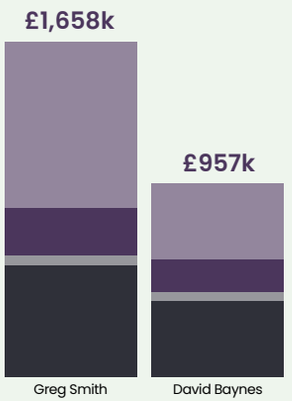
Incentive mix: On target performance



Cash Deferred Bonus RSP

2025 Single Figure

	Greg Smith CEO	David Baynes CFOO
Base salary	£546k	£374k
AIS	£241k	£165k
	58.9% of maximum, which is 44.2% of salary	
Share based incentive[1]	£818k	£374k
	Reduced to 75% of original award by Remuneration Committee	

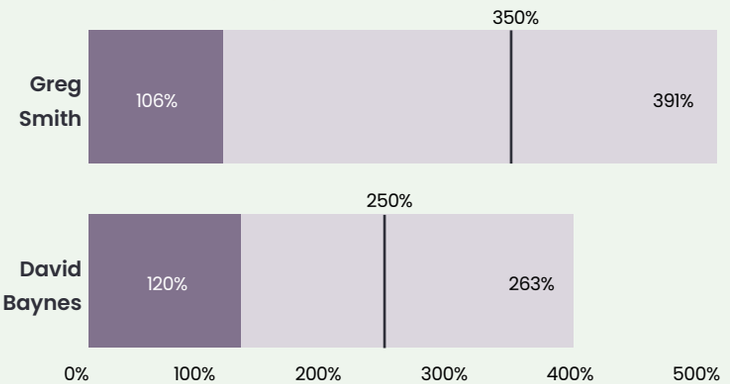


Fixed pay Other
AIS
Share-based incentive[2]

1 Based on the 2023 RSP award, subject to a further holding period of 2 years before release (2028)

2 Shares valued based on the three-month rolling average closing price of 58.8p at 31 December 2025

Directors' shareholdings (as % base salary)



Value of shares beneficially owned
Value of outstanding unvested holdings, adjusted for tax
| Minimum shareholding

Shares valued based on the three-month rolling average closing price of 58.8p at 31 December 2025

ANNUAL REMUNERATION STATEMENT.

STATEMENT OF IMPLEMENTATION OF REMUNERATION POLICY IN 2026

For 2026, the Remuneration Policy will be implemented as set out below.

Salary

Last year, the average increase for the wider workforce was 1.4% (including both inflation and promotion increases). This was lower than in previous years, reflecting our decision to hold salary levels unchanged in 2025 for most employees. This included our Executive Directors, for whom salary levels have remained unchanged since 2023.

For the 2026 review, the average increase applied to all employees will be around 4.0%. The Executive Directors will both receive an increase of 4%, aligned with the average increase applied to the wider workforce.

	2026/27 base salary	2025/26 base salary	Increase %
Greg Smith (CEO)	**£568,000**	£546,000	4%
David Baynes (CFOO)	**£390,000**	£374,400	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 for 2026 will remain at 75% of base salary for both Executive Directors, in line with the Remuneration Policy and one of the lowest in the UK listed market.

40% of the 2026 AIS will be based upon Group NAV per share growth, which in the view of the Committee remains the most appropriate leading indicator of underlying business performance.

The remaining 60% of the 2026 AIS will be based on other in-year metrics aligned to sustained shareholder value creation. Metrics will include meeting and exceeding a targeted level of realisations from the portfolio, access to third-party capital, and reducing the discount between NAV per share and our share price. Targets will all be disclosed retrospectively in the 2026 Annual Report.

Restricted Share Plan ("RSP")

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

Vesting of the 2026 awards will take place at the end of a three-year period commencing on 1 April 2026. 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 2028 must be no lower than 100% of NAV per share at the end of financial year 2025, 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

Non-executive Director and Chair fees have remained fixed since 2023. To ensure that our fee levels remain appropriate in the context of all input factors, in 2026 we will increase our Non-executive Director fee by 4%. This increase is in line with the increase applied to Executive Directors and the average increase applied to the wider workforce.

As such, our Non-executive Director fee will increase to £60,000. The additional fee for Committee Chair and other senior roles will remain at £10,000 per role. There remains no fee payable for membership of a Board Committee.

Our Chair fee will remain unchanged at £227,000 for the remainder of Sir Douglas Flint's term, being the close of the 2026 AGM.

ANNUAL REMUNERATION STATEMENT.

STATEMENT OF IMPLEMENTATION OF REMUNERATION POLICY IN 2025

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 2025 and 2024.

	Base salary/ fees[1]		Benefits[2]		Retirement benefits[3]		Total fixed		Annual bonus ("AIS")[4]		RSP vesting[5]		Total variable[7]		Total	
All £000s	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024[8]**
Greg Smith	**546**	546	**4**	3	**49**	49	**599**	599	**241**	174	**818**	0	**1,059**	174	**1,658**	773
David Baynes[6]	**374**	374	**10**	8	**34**	34	**418**	417	**165**	119	**374**	0	**539**	119	**957**	536
Sir Douglas Flint	**227**	227	**–**	–	**–**	–	**227**	227	**–**	–	**–**	–	**–**	–	**227**	227
Dr Caroline Brown	**78**	78	**–**	–	**–**	–	**78**	78	**–**	–	**–**	–	**–**	–	**78**	78
Aedhmar Hynes	**78**	78	**–**	–	**–**	–	**78**	78	**–**	–	**–**	–	**–**	–	**78**	78
Heejae Chae	**78**	78	**–**	–	**–**	–	**78**	78	**–**	–	**–**	–	**–**	–	**78**	78
Anita Kidgell	**58**	58	**–**	–	**–**	–	**58**	58	**–**	–	**–**	–	**–**	–	**58**	58

1 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.

2 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.

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

4 AIS executive bonus outturn was 58.9% of the maximum for 2025, equating to 44.2% of base salary, with further detail provided in the table on page 82. 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.

5 The 2025 RSP vesting value is based on the 2023 RSP award, which will vest at 75% as described on page 83. The value shown has been calculated using the three-month rolling average share price to the end of the financial year (58.8p) and includes the value of dividend equivalents accrued in the vesting period. None of the value shown is attributable to share price appreciation.

6 David Baynes receives an annual car allowance of £12,000. He also participated in our electric vehicle salary sacrifice scheme during the year, sacrificing gross salary of £10,368, and having use of an electric vehicle with a taxable benefit of £1,372 in 2025. The benefits figure reported for David Baynes includes all of these amounts in aggregate (being £3,000), in addition to the value of his other benefits.

7 No malus or clawback was applied in respect of any incentive awards during the year.

8 The 2024 Total of £1,854,000 also included £26,000 paid to Elaine Sullivan prior to her stepping down as a director on 13 June 2024.

ANNUAL REMUNERATION STATEMENT.

STATEMENT OF IMPLEMENTATION OF REMUNERATION POLICY IN 2025

Additional disclosures for single figure for total remuneration table

Annual Incentive Scheme

AIS outcomes for 2025 have been determined based upon the mix of targets and detailed performance conditions as set out in the table below:

Performance condition (% weighting)	Payment criteria	2025 performance (% of component awarded)	2025 performance notes
Return on NAV (40%)	5% improvement in NAV per share (target 102.6p): 25% of maximum opportunity ("threshold") 15% improvement in NAV per share (target 112.4p): 100% of maximum opportunity	Outcome of 110.4p 84.7% awarded	See commentary below, and pages 09 and 10 for full details on the construct of the reported outcome.
Liquidity as a strategic asset (25%)	£10.0m (25% of maximum opportunity) to £50.0m (100% of maximum opportunity)	£68.1m 100% awarded	Outcome aligned with plan in 2025 (see page 10 for details)
Access to third-party capital (20%)	Access to new co-investment capital of £45m (25% of maximum opportunity) to £95m (100% of maximum opportunity	£29.0m 0% awarded	EIS fundraising in line with plan. Institutional fundraising below the target, as a result of longer than expected lead times – a strong pipeline of opportunities is carried forward to 2026. (see page 10 for details)
NAV per share/share price discount (15%)	Reduce the discount between share price and NAV by between 10% (25%) and 40% (100%) between year end 2024 and year end 2025	Below minimum target 0% awarded	The discount level remained broadly constant over the measurement period – not sufficient to trigger any AIS payment
Total weighted outturn	58.9% of maximum (equating to 44.2% of base salary for Executive Directors)		

The Committee discussed the detailed performance outcomes as summarised in the table above and considered that the outturn appropriately reflected the broader overall performance of the business through 2025. Improvement in NAV per share, driven by a combination of underlying portfolio performance, the continued buy-back and the emergence of significant value from the patent and licensing portfolio during the year was particularly noted. The Committee specifically considered whether there was any impact from the change in accounting practice set out on page 20, concluding that the original targets remained appropriate and that the calculated outcome relating to the NAV per share performance condition was an appropriate reflection of performance.

The Committee also noted that the strong realisations performance will further underpin the medium-term sustainably of the Group, business model and shareholder value delivery. Whilst disappointed with in-year performance and subsequent low bonus outcomes from the other performance conditions, the Committee noted significant progress during 2025 and an expectation of improved performance, particularly the pipeline of potential private capital opportunities moving into 2026.

As a result of these considerations, the Committee determined that the calculated outcome was a fair assessment of overall performance through 2025, and that no discretionary adjustment to this calculated outcome was therefore required.

The resulting AIS outturn for 2025 for the Executive Directors is therefore 58.9% of maximum opportunity, or 44.2% of salary. In accordance with the Remuneration Policy, all calculated amounts in excess of the initial gross payment of £25,000 will be paid 50% in cash and 50% in shares (deferred for up to two years under the under the Group's Share Plan).

ANNUAL REMUNERATION STATEMENT.

STATEMENT OF IMPLEMENTATION OF REMUNERATION POLICY IN 2025

Share-based incentive schemes

2023 Restricted Share Plan awards vesting

Restricted Share Plan awards do not have performance conditions and are expected to vest, consistent with their intended purpose of fostering long-term share ownership in the management team. In line with market practice, our awards include an underpin, which allows the Committee to consider whether any adjustment to vesting should be made in certain circumstances.

Part of the underpin for the 2023 RSP award was based on growth in NAV per share over the vesting period. In light of the headwinds the business has faced, NAV per share fell by 17% over the period and therefore this element of the underpin was not met. As a result, the Committee considered whether and how this should impact vesting, including whether it was appropriate to scale back the number of shares that vest.

Accordingly, the Committee considered performance through the vesting period in detail in order to make a balanced and reasonable determination of a fair vesting level.

Although NAV per share reduced over the period, the Committee noted the strong, measurable and increasingly visible commercial progress that was not fully reflected by this metric. Management successfully navigated one of the most prolonged and challenging downturns for early stage investing in over a decade, while materially strengthening the Group's balance sheet, portfolio quality and capacity to deliver future shareholder value.

Following valuation pressure in 2023, the Group sharpened its strategic focus, decisively concentrating capital and management attention on its highest potential companies, reducing geographic and operational complexity, and preserving financial resilience.

This discipline underpinned a clear step change in execution in 2024, with record cash realisations of £183.4m, major exits including Featurespace (£134m realised at 5.9x return) and Garrison (£30m), and a c.£5m (23%) reduction in the ongoing cost base. These actions materially strengthened the balance sheet and enabled NAV accretive share buybacks of up to £80m, directly benefiting shareholders.

Momentum accelerated further in 2025, led by the significant Pfizer obesity royalty interest, additional exits including Monolith and Hinge, and continued operational progress across a more concentrated and maturing portfolio.

By the end of 2025, both NAV per share and the Group's share price had significantly recovered, supported by over £200m of cash and deposits, a leaner cost base and growing third party capital under management.

Reflecting carefully on all of these factors, and particularly the positive trajectory of NAV per share towards the end of the vesting period, the Committee determined that it would be appropriate for 75% of the 2023 RSP award to vest. This decision will ensure that management outcomes are appropriately and proportionately aligned with our remuneration principles and strategy. The remaining 25% will lapse in full. This decision will be applied consistently to all participants including those below the Board.

The Committee noted that during 2025, it had agreed that the first RSP award granted (in 2022) should lapse in full. This decision was based on our assessment of broader performance at that time, again with the review undertaken in response to missing an underpin condition. The Committee is comfortable that the broader performance backdrop to the 2023 award is materially more positive, and supports the proposed vesting outcome for this award.

The vested shares are subject to a further holding period of 2-years for all participants and, even after this time, will not be released to the Executive Directors until such time as the minimum shareholding criteria are met (350% and 250% of salary for the CEO and CFOO, respectively).

2025 Restricted Share Plan Awards

Details of the RSP awards granted during 2025 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	2025 RSP	200%	£1,092	31 Mar 2028
David Baynes	2025 RSP	133%	£498	31 Mar 2028

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, especially in the context of our overall Remuneration Policy. The Committee 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 2025.

ANNUAL REMUNERATION STATEMENT.

STATEMENT OF IMPLEMENTATION OF REMUNERATION POLICY IN 2025

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)				
	2024 to 2025	**2023 to 2024**	**2022 to 2023**	**2021 to 2022**	**2020 to 2021**	**2024 to 2025**	**2023 to 2024**	**2022 to 2023**	**2021 to 2022**	**2020 to 2021**	**2024 to 2025**	**2023 to 2024**	**2022 to 2023**	**2021 to 2022**	**2020 to 2021**
Greg Smith	**0%**	0.9%	3.0%	48.4%	20.8%	**38.6%**	69.3%	(14.2)%	(65.0)%	23.5%	**33%**	8.2%	(11.7)%	(2.3)%	4.2%
David Baynes	**0%**	0.8%	3.0%	17.4%	7.7%	**38.6%**	69.3%	(14.6)%	(72.3)%	11.2%	**33%**	6.8%	33.2%	(14.1)%	17.6%
Sir Douglas Flint	**0%**	4.1%	15.5%	4.2%	2.0%	**–**	–	–	–	–	**–**	–	–	–	–
Dr Caroline Brown	**0%**	4.0%	13.9%	17.1%	1.8%	**–**	–	–	–	–	**–**	–	–	–	–
Aedhmar Hynes	**0%**	4.0%	9.7%	19.6%	19.8%	**–**	–	–	–	–	**–**	(100)%	(26.9)%	142.0%	–
Heejae Chae	**0%**	18.1%	13.1%	3.8%	1.8%	**–**	–	–	–	–	**–**	–	–	–	–
Anita Kidgell	**0%**	9.4%	–	–	–	**–**	–	–	–	–	**–**	–	–	–	–
UK employees	**6.4%**	7.8%	7.3%	10.4%	5.9%	**22.8%**	4.3%	6.5%	(39.1)%	59.3%	**9.6%**	9.7%	5.6%	11.9%	7.9%

Historical Executive pay and Group performance

The table and graph set out on this page enable a comparison of the total shareholder return ("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 FTSE250 index over the ten-year period to 31 December 2025. Taking into account the Group's business model, there is no directly relevant FTSE sector index. The Directors have therefore selected the FTSE250 as the relevant equity index for comparison on the basis that it is the FTSE equity market index of which the Company is a constituent.

ANNUAL REMUNERATION STATEMENT.

STATEMENT OF IMPLEMENTATION OF REMUNERATION POLICY IN 2025

Historical Chief Executive Officer remuneration outcomes

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

Chief Executive Officer	2016	2017	2018	2019	2020	2021[1]	2022	2023	2024[2]	2025
CEO single figure of remuneration (£000s)	265	552	413	498	797	730	958	765	773	**1,658**
Annual bonus pay-out (% of maximum)	0%	57%	17%	28%	93%	96.3%	30.4%	25.1%	42.5%	**58.9%**
Share-based incentives vesting (% of maximum)	0%	0%	0%	0%	0%	0%	51.1%	13.7%	0%	**75%**

1 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.

2 From 2024, share-based incentive vesting relates to the RSP (previously LTIP).

Directors' shareholdings and share interests

The Group's Remuneration Policy sets 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 as Deferred Bonus Awards ("DBA"s) to ensure that minimum levels are met and maintained, in line with the Policy.

Interests in shares (audited)

The Directors who held office during 2025 had the following beneficial interests in the ordinary shares of the Company:

At 31 December 2025

	Total interest in shares				Total unvested holdings	
Current Directors	Shares owned Number	Shares which have fully vested but have not yet been issued	Total interest	Minimum shareholding requirement met?[1]	DBAs	RSPs
Greg Smith	983,744	–	**983,744**	No	212,288	6,625,666
David Baynes	764,968	–	**764,968**	No	132,398	3,028,800
Sir Douglas Flint	94,500	–	**94,500**	–	–	–
Heejae Chae	32,712	–	**32,712**	–	–	–
Dr Caroline Brown	–	–	**–**	–	–	–
Aedhmar Hynes	21,000	–	**21,000**	–	–	–
Anita Kidgell	–	–	**–**	–	–	–

1 Based on owned/vested shares only.

There have been no changes in the interests of the Directors set out above between 31 December 2025 and 16 March 2026.

ANNUAL REMUNERATION STATEMENT.

STATEMENT OF IMPLEMENTATION OF REMUNERATION POLICY IN 2025

Share-based incentive plan awards (audited)

The Executive Directors' interest in conditional share awards granted under the RSP are set out in the table below:

	Number of shares conditionally held at 1 January 2025	Conditional shares notionally awarded in the year	Vested during the year[1]	Lapsed during the year	Potential conditional interest in shares at 31 December 2025	Share price at date of conditional award (p)	Earliest vesting date(s)
Greg Smith							
2022 RSP	1,043,046	–	–	1,043,046	**–**	75.50	31-Mar-25
2023 RSP[2]	1,813,953	–	–	–	**1,813,953**	60.20	31-Mar-26
2024 RSP	2,301,369	–	–	–	**2,301,369**	47.45	31-Mar-27
2025 RSP	–	2,510,344	–	–	**2,510,344**	43.50	31-Mar-28
	5,158,368	**2,510,344**	**–**	**1,043,046**	**6,625,666**		
David Baynes							
2022 RSP	476,809	–	–	476,809	**–**	75.50	31-Mar-25
2023 RSP[2]	829,215	–	–	–	**829,215**	60.20	31-Mar-26
2024 RSP	1,052,028	–	–	–	**1,052,028**	47.45	31-Mar-27
2025 RSP	–	1,147,557	–	–	**1,147,557**	43.50	31-Mar-28
	2,358,052	**1,147,557**	**–**	**476,809**	**3,028,800**		

1 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.

2 The 2023 RSP grant, shown as conditionally held in full in the table (as at 1 January 2026) will partially vest in 2026 as set out on page 83.

ANNUAL REMUNERATION STATEMENT.

STATEMENT OF IMPLEMENTATION OF REMUNERATION POLICY IN 2025

Deferred Bonus Awards ("DBAs") (audited)

Directors' interest in conditional share awards granted as DBAs under the Group's Share Plan to defer AIS bonuses in accordance with our Policy are as follows:

	Number of shares conditionally held at 1 January 2025	Conditional shares notionally awarded in the year	Vested during the year[1]	Lapsed during the year	Potential conditional interest in shares at 31 December 2025	Share price at date of conditional award (p)	Earliest vesting dates
Greg Smith							
Deferral from 2022 AIS	39,327	–	39,327	–	**–**	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
Deferral from 2024 AIS	–	85,653	–	–	**85,653**	43.50	31-Mar-26
Deferral from 2024 AIS	–	85,653	–	–	**85,653**	43.50	31-Mar-27
	121,291	**171,306**	**80,309**	**–**	**212,288**		
David Baynes							
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
Deferral from 2024 AIS	–	54,218	–	–	**54,218**	43.50	31-Mar-26
Deferral from 2024 AIS	–	54,218	–	–	**54,218**	43.50	31-Mar-27
	71,628	**108,436**	**47,666**	**-**	**132,398**		

1 Actual number of conditional shares released upon the earliest vesting date is adjusted where relevant to reflect the adjustment made to account for dividend payments made during the vesting 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 2025	Options awarded in the year	Exercised during the year	Lapsed during the year	Options held at 31 December 2025	Option exercise price (p)	Share price at date of award (p)	Earliest vesting date(s)
Greg Smith								
2023 SAYE	39,586	–	–	–	**39,586**	46.86	58.56	01-Nov-26
David Baynes								
2022 SAYE[1]	27,692	–	–	–	**27,692**	65.0	81.25	01-Nov-25

1 Contributions to the 2022 SAYE completed during the year, but the SAYE options have not yet been exercised.

ANNUAL REMUNERATION STATEMENT.

STATEMENT OF IMPLEMENTATION OF REMUNERATION POLICY IN 2025

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 2024 to 2025.

	2025	2024	% change
Total employee costs (£m)	**16.8**	19	(11.6%)
Distributions to shareholders (dividend or share buyback, £m)	**45.7**	29.6	54.4%
NAV (£m)	**975.1**	956.5	1.9%
Share price (p)	**58.6**	53.9	8.7%

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

Total employee pay: total employee costs from note 10 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 109.

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 Executive Director. Key external appointments (excluding companies in which the Group holds shares) held by Executive Directors are set out on pages 58 to 60.

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 Group's Share Plan (which incorporates the DBAs and RSPs) and sets out the commitments to issue shares made during the financial year reported.

Maximum	Current dilution
10% dilution in ten years	4.06%
5% dilution in ten years	3.03%

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 18 June 2026.

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

ANNUAL REMUNERATION STATEMENT.

STATEMENT OF IMPLEMENTATION OF REMUNERATION POLICY IN 2025

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 2025, the Remuneration Committee received independent advice from Alvarez & Marsal ("A&M") in respect of the renewal of and application of the Directors' Remuneration Policy and reporting under the Directors' Remuneration Reporting Regulations. Fees paid to A&M in connection with advice to the Committee during 2025 were £53,500 (excluding VAT), based on time spent. A&M does not provide any other services to IP Group.

A&M is a member of the Remuneration Consultants Group and adheres to its Code in relation to Executive remuneration consulting in the UK. The lead engagement partner has no other connection with the Group or its 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 the Directors' Remuneration Report and the Directors' Remuneration Policy at the 2025 AGM:

	Votes for		Votes against			
	Number	% of votes cast	Number	% of votes cast	Total votes cast	Votes withheld
Remuneration Report	547,362,600	85.69%	91,428,282	14.31%	638,790,882	557,799
Remuneration Policy	601,336,021	94.56%	34,602,374	5.44%	635,938,395	3,410,286

The Remuneration Committee was pleased with the level of support for both the Remuneration Report and the updated Remuneration Policy at the 2025 AGM.

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

16 March 2026

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 58 to 60:

- Dr Caroline Brown (Chair)
- Aedhmar Hynes
- 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 and Risk Committee ("ARC") 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 2025 and early 2026 included:

- Consideration of key areas of accounting judgement, including: (i) valuation of unquoted investments at half-year and year end reporting and; (ii) the change in classification of the Group as an investment entity under IFRS10, (iii) valuation of fair value of cash flows from intangible assets
- Review of management plans on the implementation of the 2024 UK Corporate Governance Code including Provision 29 requirements and update of the Committee's Terms of Reference to reflect these changes
- Review of the FRC's Audit Quality Review findings
- Review the results of an internal audit-led review in respect of the design and operating effectiveness of the Group's material controls over its material risks

AUDIT AND RISK COMMITTEE REPORT.

Procedural and governance matters

- The Group's Chief Financial and 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
- In preparation for each Committee meeting, I meet privately with management and the external auditor
- At the end of the annual audit process the Committee meets with the external auditor without any members of the executive management team 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 a more detailed understanding of portfolio valuation considerations
- The Committee met five times in 2025 and twice in 2026 in preparation for the release of the 2025 Annual Report and Accounts

In relation to governance considerations:

- The Committee comprises four independent Non-executive Directors. 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 57 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
- The Committee assessed its performance in 2025 through an externally facilitated process led by the Board Chair, supported by the Company Secretary. Such process concluded that the Committee had continued to perform effectively during 2025
- The Committee undertook an evaluation of the external auditor's performance in 2024, 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
- The Committee completed its annual review of the need for an internal audit function and concluded that a dedicated function remains unnecessary given the Group's size, risk profile and established control environment
- 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

Key accounting estimates and judgements

Reclassification of IP Group plc as an Investment Entity under IFRS 10:

Historically, IP Group has not qualified as an investment entity under IFRS 10, which requires an entity to meet three conditions:

i. obtaining funds from investors to provide investment management services;

ii. having a business purpose focused solely on returns from capital appreciation, investment income or both; and

iii. measuring and evaluating the performance of substantially all investments on a fair value basis.

The Group had not fully met these criteria due to several features of its activities: the flexibility to pursue direct commercialisation of intellectual property where this was considered the most attractive route to shareholder value; the ability to hold investments indefinitely; and the absence of defined exit strategies for early-stage assets.

During 2025, a number of developments prompted a reassessment of this conclusion, the most significant being the transformation of the Group's licensing business. Historically, licensing had operated as an active commercialisation function, resourced and managed as a trading-oriented activity and generating modest recurring revenues. However, the substantial increase in the value of the Zihipp/Metsera licence – driven by Metsera's clinical progress and subsequent acquisition by Pfizer – shifted the nature of the business. The licensing function is now focused on managing a single high-value asset and assessed on fair value metrics consistent with investment management rather than operational performance, leading to its reclassification as an investing activity and providing a clear trigger for the reassessment of the Group's investment entity status.

In addition, the Group's increased emphasis on portfolio realisations has reduced the relevance of holding assets indefinitely and has led to clearer exit strategies across the portfolio, including at earlier stages. Although these latter changes evolved gradually and did not present a single clear trigger point, they collectively strengthened alignment with the IFRS 10 investment entity criteria.

At its meeting on 16 December, the Committee considered these developments and endorsed management's assessment that, on that date, the Group satisfied all three qualifying conditions and should therefore be reclassified as an investment entity. See note 3 for further details on the change. The Committee also resolved to recommend this reclassification to the IP Group plc Board of Directors for formal approval.

The consequence of this change is that, rather than a line-by-line consolidation of relevant balances held by the Group's subsidiaries, the investment entity subsidiaries are now reported as a single line item at fair value.

AUDIT AND RISK COMMITTEE REPORT.

The principal financial impact of this change is that the Group's IP licences – primarily the Pfizer Obesity Royalty Interest – must now be recognised at fair value under the investment entity model. This results in the recognition of £99.1m within net assets, recorded as a fair value gain in the income statement on the date of reclassification. More broadly, the move to investment entity status provides investors with a clearer picture of the Group's financial position and enhances comparability with other UK venture and innovation investors, aligning reporting with market practice and improving transparency for stakeholders.

As part of its review of the transition to investment entity reporting, the Committee also considered the implications of the revised statement of financial position presentation, under which the Group's cash and deposits balances are now included within the investments in investment entity subsidiaries financial statement line item rather than disclosed separately. Under this approach, the cash and deposits shown on the face of the balance sheet represents only the cash and deposits held by the Group's consolidated subsidiaries, rather than the Group's total cash and deposits available for deployment. The Committee reviewed the additional explanations to be provided, including those set out in the CFOO's report, to ensure that users of the financial statements can clearly understand the change from the prior year and avoid any misrepresentations of the Group's underlying cash and deposits position or investment capacity. The Committee was satisfied that the revised presentation and accompanying disclosures appropriately address these matters.

Valuation framework

The Committee also reviewed the Group's overarching valuation framework and was satisfied that its structured methodology, use of external specialists and documented challenge processes provide a robust basis for forming and evidencing valuation judgements. The Committee agreed that this framework supports objective, consistent and transparent decision making across all asset classes, including both unquoted equity holdings and fair value of cash flows from intangible assets.

Valuation of unquoted equity and debt investments

The valuation of unquoted investments is a 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. For valuations based on DCF models, including Istesso Limited, a number of assumptions are used in determining the fair value. Critical assumptions include clinical trial success rates, discount rate and pharma partner deal size data for which both management and the external auditor draw on specialist expertise as required.

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 12 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 financing or sale transactions underway at the measurement date. We continue to make use of third-party valuations specialists, with external valuation reports being commissioned on three of our larger investments in 2025 (2024: four). The use of third-party valuation specialists increases the independence of our process and helps to ensure that we continue 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 International Private Equity and Venture Capital ("IPEV") guidelines. 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 investments, Finance Director and external auditor, with other investment team members joining meetings on request. During the year, the Committee reviewed and approved the Valuation Committee's terms of reference.

The Valuation Committee met three times in 2025 and twice in early 2026 to review management's valuations for the half-year and full-year results reporting. The Committee's 2026 meetings included review of the proposed Annual Report disclosures, including the approach to valuation sensitivity disclosures. See further details in note 14.

Valuation of fair value of cash flows from intangible assets

Following the Group's reclassification as an investment entity, a significant component of the Pfizer obesity royalty interest asset is now recognised as fair value of cash flows from intangible assets. Determining this fair value involves significant judgement given the asset's clinical-stage profile and the potential scale of future milestone and royalty receipts. The Committee reviewed reports from management, the Valuation Committee and external valuation specialists outlining the methodologies applied, including discounted cash flow analysis, clinical probability assumptions and relevant market benchmarks. The Committee also considered recent external developments within the Metsera programme, broader industry transactions and independent analyst reports as part of its assessment. Having reviewed and challenged the key assumptions and sensitivities, including tax considerations, the Committee was satisfied that the valuation adopted at the year end was appropriate and consistent with the Group's valuation policy and IPEV guidelines.

AUDIT AND RISK COMMITTEE REPORT.

Application of the consolidation requirements of IFRS 10 in respect of IPG Cayman LP and Istesso Limited

Following the Group's assessment in December 2025 and its decision to classify the Group as an investment entity at 31 December 2025, IPG Cayman LP and Istesso Limited will continue to be measured at fair value through profit or loss regardless of whether the Group is considered to control these entities or not, in line with the requirements of IFRS 10.

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 2025 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 judgements and estimates noted above, the Committee also considered 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 twelve 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. There was an inadvertent, technical breach of the Group's financial covenants and cash trap provisions in the year (see Note 20). In dialogue with noteholders concerning the impact of the change in investment entity basis on the presentation of cash and cash equivalents in the consolidated financial statements, it was highlighted that cash was defined more tightly than cash equivalents, being restricted to only cash held in IP Group plc, whereas cash equivalents within any Group company were included. The Group had previously been working on the basis that cash held anywhere within the Group qualified for the purposes of the covenant, and this difference in interpretation only became apparent through those discussions with noteholders. The Group held £87.8m of cash and cash equivalents and a further £123.2m of deposits at the balance sheet date, but insufficient cash was held directly by the parent.

The Group has remedied this by transferring cash to the parent after the period end and has also, after the period end, obtained a waiver in respect of any and all historical breaches from the lender. This breach has resulted in borrowings of £119.7m being reclassified from non-current to current liabilities at the year end. The Group maintains an ongoing dialogue with its noteholders and will monitor the covenants' position against forecasts and budgets to ensure that it operates within the prescribed limits. The liquid assets available to the Group including cash and cash equivalents in portfolio companies far exceeded the outstanding borrowing at the year end.

The Committee agreed to recommend the Viability Statement, which is set out on page 46, to the Board for approval.

Risk and internal controls

The key elements of the Group's internal control framework and procedures are set out on pages 36 and 37. The principal risks the Group faces are set out on pages 39 to 45. 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 management and controls internally prior to reporting to the Committee and Board. Its permanent members are the CFOO, Company Secretary, Finance Director and Group Risk Officer, 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 apply to financial years beginning on or after 1 January 2026. This included the output of workshop sessions with the Group's senior management facilitated by PwC to agree the Group's material risks and those controls that significantly mitigate the material risks to an acceptable level, i.e. the Group's material controls. The Risk Council reported its complete list of material risks and controls and proposed an internal definition for material controls to the Committee at its meeting in June 2025 and where an additional portfolio monitoring control was agreed at the request of the Committee.

The Committee reviewed the output of testing of all material controls designed to mitigate the Group's material risks, including financial, operational, compliance and non-financial reporting controls. PwC provided independent expertise to the Committee via the completion of a design and operating effectiveness review of the Group's material controls in accordance with the Global Internal Audit Standards. No significant

AUDIT AND RISK COMMITTEE REPORT.

failings or weaknesses were identified. Certain areas for control enhancement have been identified, and action plans have been established to address these improvements. Progress on implementation was monitored by the Risk Council and reported to the Committee, with all actions committed for completion by the reporting date having been fully implemented. The controls identified for enhancement did not compromise the integrity of the Group's financial reporting or overall control environment. A rolling programme of operating effectiveness is in place for 2026, overseen by the Risk Council with updates scheduled to ARC throughout the year.

During 2025, the Committee reviewed management's updated assessment of 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 principal risk profiles. The Committee also carried out a horizon-scanning exercise to identify potential emerging risks.

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.

Cybersecurity

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. 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 the Committee reviewed and approved the "Failure to Prevent Fraud Policy and Procedures", which consolidated the requirements of the new corporate offence of failure to prevent fraud as well as the Group's existing anti-facilitation of tax evasion policy and procedures.

Internal audit

As required by the UK Corporate Governance Code, the ARC conducted its annual assessment of whether the Group should operate an internal audit function. After considering the Group's size, risk profile and the assurance obtained through its existing risk, compliance and financial control processes, the Committee concluded that a dedicated internal audit function continues not to be required.

The Committee reaffirmed the Group's proportionate approach of commissioning PwC to perform targeted, risk-based reviews where independent assurance is most valuable.

The Committee will continue to review the need for an internal audit function annually and will recommend establishing one should the Group's scale, operations or risk profile change.

ARC priorities for 2026

Looking ahead to 2026, the Committee's priorities will centre on strengthening valuation-related governance and assurance across the Group. This includes continued oversight of valuation methodologies, supporting documentation and the consistency of application across the portfolio, alongside active participation in the Valuation Committee to ensure robust challenge and transparent reporting. The Committee will also continue to monitor the delivery of programmes designed to support the Group's attestation under Provision 29 of the UK Corporate Governance Code, including the ongoing evaluation of the design and operating effectiveness of the Group's material controls.

In addition, the Committee will assess the performance and effectiveness of the external auditor and continue to oversee targeted internal audit projects, recognising the evolving risk landscape and the Committee's role in ensuring that assurance sources remain appropriately designed, executed and evidenced.

External audit

Audit planning

The Committee discussed the auditor's plan for the 2025 year end audit at its June meeting. 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 included the valuation of the Group's unquoted investments, consideration of IFRS 10 and the reclassification of the Group as an investment entity and the fair value of the expected Pfizer obesity royalty interest payments.

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

AUDIT AND RISK COMMITTEE REPORT.

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 has 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.

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.

An analysis of audit and non-audit fees paid to KPMG is provided in note 7 to the financial statements. In 2025, 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 2025 engaged the services of PwC (internal audit, risk and governance), Deloitte (valuations), Kroll (valuations) and BDO (tax).

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.

FRC audit quality review

During 2025, the Committee was made aware that the FRC's Audit Quality Review Team ("AQRT") would be reviewing KPMG's audit of the Group's 2024 financial statements as part of its annual inspection of audit firms. The Committee received and reviewed the final report from the FRC in November 2025 and discussed the findings with the lead audit partner. The Committee was satisfied that the matters raised by the AQRT were appropriately incorporated into the 2025 audit plan.

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 2024 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 the Pfizer obesity royalty interest 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

16 March 2026

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 2025.

Corporate Governance Statement

Information that fulfils the requirements of the Corporate Governance Statement can be found on pages 56 to 68 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 2025.

Directors

The names of Directors who held office during the year ended 31 December 2025 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

Details of the interests of the Directors in the share capital of the Company are set out in the Directors' Remuneration Report on page 85.

The appointment and replacement of Directors is governed by the Company's Articles of Association (the "Articles"), the Corporate Governance Code (the "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 36 and 37 and in the Corporate Governance report on page 67. 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 the note 4 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 04 to 13 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 09 to 19 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 which 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 21 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 and prevailing legislation.

At the last Annual General Meeting ("AGM") of the Company held on 12 June 2025 (the "2025 AGM"), authority was given to the Directors pursuant to the relevant provisions of 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 18 June 2026 ("2026 AGM").

Authority was also granted at the 2025 AGM to disapply pre-emption rights in respect of the 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 2026 AGM in accordance with the Statement of Principles.

On 24 April 2025, the Company sought shareholder authority at a general meeting to increase the limit on the number of shares which the Company was able to purchase pursuant to its share buyback programme, as the capacity under the existing authorities obtained at the AGM of the Company held on 12 June 2024 was likely to have been fully utilised before the 2025 AGM. A special resolution was passed at the general meeting 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 20 March 2025 up until the 2025 AGM, when such authority expired.

At the 2025 AGM, a further 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 10 April 2025 up until the 2026 AGM, when such authority would expire. This authority has been utilised

DIRECTORS' REPORT.

during the year in connection with the Group's share buyback programme, which commenced in December 2023 and was subsequently extended in October 2024, January 2025 and June 2025, in line with the Group's commitment to allocate a proportion of cash realisations to shareholder returns. The extended share buyback programme completed in November 2025.

Under the buyback programme, during the financial year ended 31 December 2025, the Group bought back a total of 91,858,626 ordinary shares of 2p each, the total consideration for which was £45.7m. The shares repurchased in 2025 comprised 9.4% of the Group's issued share capital as at 31 December 2025.

The Directors will seek to renew the authority to make market purchases of the Company's shares within similar parameters and for a similar period at the 2026 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 28 February 2026
RPMI Railpen	**18.38**
Saba Capita[1]	**11.10**
BlackRock	**6.35**
Jefferies Financial Group[1]	**6.20**
Vanguard Group	**5.28**
Imperial College of Science Technology & Medicine	**3.49**
Janus Henderson Investors	**3.35**
Legal & General Investment Management	**3.18**
Schroder Investment Management	**3.09**

[1] Includes exposure through financial instruments to which voting rights are attached

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 26 to 29, in the Corporate Governance Statement on page 62 and in the s172(1) Statement on pages 47 to 55.

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 Limited, 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.

Post-balance sheet events

Material events occurring since the balance sheet date are disclosed in note 30 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 2025. 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 2025 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 2025 AGM up to the conclusion of the 2026 AGM. The Board will seek renewed authority for the Group to incur political expenditure of not more than £50,000 in total at the Company's 2026 AGM.

Disclosure of information to auditor

At the date of approval of this Annual Report, each Director 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 46.

This Directors' report was approved by the Board on 16 March 2026 and signed on its behalf by:

Angela Leach
Company Secretary

16 March 2026

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

16 March 2026

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 ("IP Group" or the "Company") for the year ended 31 December 2025 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 Group 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 2025 and of the Group's profit 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 12 financial years ended 31 December 2025. 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		
Materiality: group financial statements as a whole	£10.7m (2024: £12.3m) 1.0% (2024 1.1%) of Total Assets	
Key audit matters		**vs 2024**
Recurring risks	Valuation of certain unquoted investments and fair value of cash flows from intangible assets held by the Parent Company's subsidiaries (Group and Parent Company)	⟷
	New Application of IFRS 10 in respect of investment entity considerations (Group and 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
Valuation of certain Investments in investment entity subsidiaries (Group and Parent Company) (£1,073.8 million) Refer to page 90 (Audit and Risk Committee report) page 114 (accounting policy) and page 142 (financial disclosures).	**Subjective valuation** The fair value of the Group and Parent Company's investment in subsidiaries is predominantly driven by the value of unquoted investments and cash flows derived from intangible assets which are held by the subsidiaries. These assets are typically early-stage investments, which are neither profitable nor revenue generating. The fair value of these investments is principally based on either: • price of recent orderly funding rounds. This requires the group to make significant estimates for discount or premiums based on performance against business plans, product development progress and expected cash-out dates; or • discounted cash flow analyses. This includes the Group's two largest assets, Istesso Limited and Zihipp/Metsera (intangible asset) where significant estimates are made, notably with respect to discount rate, probability of success and partnership deal size. The effect of these matters is that, as part of our risk assessment, we determined that the estimates in fair value measurement of certain of these unquoted investments and intangible assets, 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. The factors considered in assessing which unquoted investments and intangible assets were subject to the highest level of estimation uncertainty included those requiring short term funding, those which are individually significant in value, or those with positive or negative operational or financial developments. We additionally identified a fraud risk associated with the valuation of certain unquoted investments and fair value of cash flows from intangible assets as set out in section 6, "Fraud and breaches of laws and regulations – ability to detect".	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. Our procedures included: • **Portfolio understanding:** We obtained an understanding of the investments and intangible assets included within the portfolio through inquiry (including of the valuation committee) and through our own independent research. • **Methodology choice:** 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. • **Our valuation experience:** We challenged significant estimates affecting investee company and cash flows from intangible valuations as follows: • 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. • For assets measured on a discounted cash flow basis we consulted KPMG Valuations specialists to assess the suitability of the valuation method adopted and to independently provide a reasonable range for the discount rate. • We used our health and life science specialists to understand and challenge clinical progress of Istesso and Zihipp/Metsera and the probability of success estimate made by the Group, including providing deal data on comparables deals; • **Assessing transparency:** We considered the appropriateness, in accordance with relevant accounting standards, of the disclosures in respect of the valuation of certain unquoted investments and cashflows derived from fair value of cash flows from intangible assets and the effect of changing one of more inputs to reasonable possible alternative valuation assumptions. **Our findings:** We found the Group's valuation of certain investments in investment entity subsidiaries to be balanced (2024: balanced) and the related disclosures to be proportionate (2024: proportionate).

INDEPENDENT AUDITOR'S REPORT.

TO THE MEMBERS OF IP GROUP PLC

	The risk	Our response
Application of IFRS 10 in respect of investment entity considerations Refer to page 90 (Audit and Risk Committee report) and page 115 (accounting policy and financial disclosures).	**Accounting judgement** The Directors have concluded, for the reasons set out at page 115, that the investment entity ("IE") criteria set out in IFRS 10 Consolidated Financial Statements were satisfied for the parent company, thereby requiring it to value its investments at fair value rather than consolidate them, unless providing investment services to the group. If the IE criteria had not met, the inclusion of Zihipp/ Metsera would not have been permitted under IFRS. Given the impact on the Group, this judgement is considered a key audit matter.	We performed the procedures below rather than seeking to rely on any of the Group's controls because the nature of the judgement is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: **Accounting analysis:** We assessed and challenged the Group's accounting analysis of factors that demonstrated the IE criteria in IFRS 10 were met. In particular: • We inspected evidence setting out when the IE criteria were satisfied in the period (and how this assessment had changed since the prior period); and • We inspected evidence supporting the Group's evaluation of performance on a fair value basis (including in respect of licences held) and documented exit plans in respect of portfolio investments. **Assessing transparency:** • We considered the appropriateness of the disclosures related to the Parent Company's transition to an investment entity. **Our findings:** In determining the application of IFRS 10 in respect of the investment entity status of the Parent Company there is room for judgement, and we found that the judgement was balanced. We found the related disclosures to be proportionate.

Following the transition of the parent Company to an investment entity in the current year, investments in subsidiaries are now recognised at fair value. The fair value of these subsidiary entities is underpinned by the valuation of unquoted investments and fair value of cash flows from intangible assets, included within the key audit matter above. Therefore, recoverability of the parent Company's investment in subsidiary is no longer identified in our report as a separate 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 £10.7m (2024: £12.3m), determined with reference to a benchmark of Group Total Assets, of which it represents 1.0% (2024: 1.1%).

Materiality for the parent Company financial statements as a whole was set at £10.7m (2024: £10.3m), determined with reference to a benchmark of Parent Company Total Assets, of which it represents 1.0% (2024: 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% (2024: 75%) of materiality for the financial statements as a whole, which equates to £8m (2024: £9.2m) for the Group and £8m (2024: £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 £0.53m (2024: £0.61m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Overview of the scope of our audit

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 below.

Total assets

£1,098.6m

(2024: £1,151.1m)

Group materiality

£10.7m

(2024: £12.3m)

£10.7m

Whole financial statements materiality (2024: £12.3m)

£8.0m

Whole financial statements performance materiality (2024: £9.2m)

£0.53m

Misstatements reported to the Audit and Risk Committee (2024: £0.61m)

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 investment in investment entity subsidiaries 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 93 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, 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; and
- Consideration of the Group's remuneration policies, such as the Annual Incentive Scheme ("AIS"), and the associated performance targets.

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 and fair value of cash flows from intangible assets.

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 unquoted investments and cash flows from intangible assets recognised at fair value (held by the Parent Company's subsidiaries). As these assets are unquoted and illiquid, they are valued using valuation techniques which are subjective and involve the exercise of judgement by the Group. In addition, the valuation of these investments and fair value of cash flows from intangible assets 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 an increased risk of fraud in relation to the valuation of unquoted investments and fair value of cash flows from intangible assets. 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 Level 3 investments.

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 46 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 93 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 46 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.

INDEPENDENT AUDITOR'S REPORT.

TO THE MEMBERS OF IP GROUP PLC

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.

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 and Risk Committee, including the significant issues that the Audit and Risk 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 98, 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.

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.

INDEPENDENT AUDITOR'S REPORT.

TO THE MEMBERS OF IP GROUP PLC

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

16 March 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.

	Note	2025 £m	2024 £m
Portfolio return and revenue			
Change in fair value of equity and debt investments	14	**(70.1)**	(246.1)
Gain on disposal of equity and debt investments	17	**37.5**	63.7
Change in fair value of limited and limited liability partnership interests	15	**(12.8)**	(12.6)
Gain on deconsolidation of subsidiaries	28A	**117.8**	–
Revenue from services and other income	5	**7.4**	5.5
		79.8	(189.5)
Administrative expenses			
Carried interest plan credit	23	**7.0**	7.9
Share-based payment charge	22	**(2.4)**	(1.9)
Other administrative expenses	9	**(23.4)**	(25.3)
		(18.8)	(19.3)
Operating profit/(loss)	8	**61.0**	(208.8)
Finance income		**10.2**	8.8
Finance costs		**(6.4)**	(6.7)
Profit/(loss) before taxation		**64.8**	(206.7)
Taxation	11	**2.1**	(0.3)
Profit/(loss) for the year		**66.9**	(207.0)
Other comprehensive income			
Items that may be subsequently reclassified to the income statement			
Exchange differences on translating foreign operations		**0.3**	(3.0)
Total comprehensive profit/(loss) for the year		**67.2**	(210.0)
Attributable to:			
Equity holders of the parent		**67.1**	(205.6)
Non-controlling interest		**0.1**	(4.4)
		67.2	(210.0)
Earnings/(loss) per share			
Basic (p)	12	**7.24**	(19.97)
Diluted (p)	12	**7.10**	(19.97)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION.

AS AT 31 DECEMBER 2025

	Note	2025 £m	2024 £m
ASSETS			
Non-current assets			
Goodwill		**0.4**	0.4
Property, plant and equipment		**–**	0.8
Investments in investment entity subsidiaries	28	**1,073.8**	–
Joint venture investment		**–**	0.6
Equity investments	14	**–**	713.8
Debt investments	14	**3.4**	51.6
Limited and limited liability partnership interests	15	**1.2**	58.1
Receivable on sale of debt and equity investments	16	**–**	18.5
Total non-current assets		**1,078.8**	843.8
Current assets			
Assets held for sale	14	**–**	13.9
Trade and other receivables	18	**3.3**	6.3
Receivable on sale of debt and equity investments	16	**–**	1.6
Deposits	4	**–**	170.0
Cash and cash equivalents	4	**16.5**	115.6
Total current assets		**19.8**	307.4
Total assets		**1,098.6**	1,151.2
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Called up share capital	21	**17.8**	19.5
Share premium account		**102.5**	102.5
Capital redemption reserve		**3.5**	1.8
Retained earnings		**851.3**	842.2
Total equity attributable to equity holders		**975.1**	966.0
Non-controlling interest		**–**	(13.5)
Total equity		**975.1**	952.5
Current liabilities			
Trade and other payables	19	**3.0**	12.5
Borrowings	20	**119.7**	6.3
Total current liabilities		**122.7**	18.8
Non-current liabilities			
Borrowings	20	**–**	122.8
Carried interest plan liability	23	**–**	27.3
Deferred tax liability	11	**0.8**	4.5
Loans from limited partners of consolidated funds	20	**–**	19.9
Other non-current liabilities		**–**	5.4
Total non-current liabilities		**0.8**	179.9
Total liabilities		**123.5**	198.7
Total equity and liabilities		**1,098.6**	1,151.2

Registered number: 04204490

The accompanying notes on pages 112 to 154 form an integral part of the financial statements on pages 108 to 154. The financial statements were approved by the Board of Directors and authorised for issue on 16 March 2026 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 2025

	Note	2025[1] £m	2024 £m
Operating activities			
Profit/(loss) before taxation for the period		**64.8**	(206.7)
Adjusted for:			
Change in fair value of equity and debt investments	14	**70.1**	246.1
Gain on disposal of equity investments	17	**(37.5)**	(63.7)
Change in fair value of limited and limited liability partnership interests	15	**12.8**	12.6
Gain on deconsolidation of subsidiaries	28A	**(117.8)**	–
Carried interest plan and other deal incentives credit	23	**(7.0)**	(7.9)
Carried interest scheme payments	23	**(4.3)**	(2.5)
Share-based payment charge	22	**2.4**	1.9
Finance income		**(10.2)**	(8.8)
Finance costs		**6.4**	6.7
Depreciation of right-of-use asset, property, plant and equipment		**0.5**	0.6
Corporate finance fees settled in the form of portfolio company equity		**(0.1)**	–
Changes in working capital			
Decrease in trade and other receivables	18	**(1.6)**	(0.7)
Increase in trade and other payables	19	**(0.7)**	(7.3)
Distributions and drawdowns with limited partners of consolidated funds		**(1.6)**	0.1
Other operating cash flows			
Interest received		**4.3**	4.5
Net cash outflow from operating activities		**(19.5)**	(25.1)
Investing activities			
Purchase of property plant and equipment		**0.1**	–
Purchase of equity and debt investments	14	**(68.0)**	(60.8)
Investment in limited and limited liability partnership funds	15	**(2.5)**	(2.2)
Proceeds from sale of assets held for sale		**10.1**	–
Proceeds from sale of equity and debt investments	16	**52.5**	182.2
Distribution from limited partnership funds	15	**5.6**	1.2
Cash flow to deposits		**(173.2)**	(230.0)
Cash flow from deposits		**238.2**	186.6
Interest received on deposits		**5.8**	5.9
Cash derecognised on deconsolidation of subsidiaries		**(89.3)**	–
Net cash (outflow)/inflow from investing activities		**(20.7)**	82.9
Financing activities			
Repurchase of own shares	21	**(45.7)**	(29.6)
Lease principal payment		**(0.5)**	(0.4)
Interest paid		**(6.4)**	(6.8)
Repayment of EIB loan facility	20	**(6.3)**	(6.1)
Net cash (outflow) from financing activities		**(58.9)**	(42.9)
Net (decrease)/increase in cash and cash equivalents		**(99.1)**	14.9
Cash and cash equivalents at the beginning of the year		**115.6**	100.9
Effect of foreign exchange rate changes		**–**	(0.2)
Cash and cash equivalents at the end of the year		**16.5**	115.6

1 The movements in balances presented in the cash flows primarily relate to the period up to 16 December 2025, prior to the change to Investment Entity status. The cash flow presented for 2025 includes the movement for the full 2025 period, including both pre and post the entity meeting investment entity status, with movement post the change to investment entity primarily recognised through fair value movements in investments in subsidiaries. See Note 3 for further information regarding the change in classification of the group as an investment entity.

The accompanying notes on pages 112 to 154 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.

FOR THE YEAR ENDED 31 DECEMBER 2025

	Attributable to equity holders of the parent						
	Share capital £m	Share premium[1] £m	Capital redemption reserve[5] £m	Retained earnings[2] £m	Total £m	Non-controlling interest[3] £m	Total equity £m
At 1 January 2024	**21.3**	**102.5**	**–**	**1,075.6**	**1,199.4**	**(9.1)**	**1,190.3**
Total comprehensive income for the period							
Loss for the year	–	–	–	(202.6)	(202.6)	(4.4)	(207.0)
Currency translation[4]	–	–	–	(3.1)	(3.1)	–	(3.1)
Total comprehensive income for the period	–	–	–	(205.7)	(205.7)	(4.4)	(210.1)
Transactions with owners, recorded directly in equity							
Purchase of treasury shares[5]	(1.8)	–	1.8	(29.6)	(29.6)	–	(29.6)
Equity-settled share-based payments[6]	–	–	–	1.9	1.9	–	1.9
Total contributions by and distributions to owners	(1.8)	–	1.8	(27.7)	(27.7)	–	(27.7)
At 1 January 2025	**19.5**	**102.5**	**1.8**	**842.2**	**966.0**	**(13.5)**	**952.5**
Total comprehensive income for the period							
Profit for the year	–	–	–	66.8	66.8	0.1	66.9
Currency translation[4]	–	–	–	0.3	0.3	–	0.3
Total comprehensive income for the period	–	–	–	67.1	67.1	0.1	67.2
Transactions with owners, recorded directly in equity							
Purchase of own shares[7]	(1.7)	–	1.7	(45.7)	(45.7)	–	(45.7)
Equity-settled share-based payments[6]	–	–	–	1.1	1.1	–	1.1
Change in investment entity status[8]	–	–	–	(13.4)	(13.4)	13.4	–
Total contributions by and distributions to owners	(1.7)	–	1.7	(58.0)	(58.0)	13.4	(44.6)
At 31 December 2025	**17.8**	**102.5**	**3.5**	**851.3**	**975.1**	**–**	**975.1**

1 Share premium – Amount subscribed for share capital in excess of nominal value, net of directly attributable issue costs.

2 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.

3 Non-controlling interest – Share of profits and losses attributable to the Limited Partners of IP Venture Fund II LP.

4 Currency translation – Reflects currency translation differences on reserves non-GBP functional currency subsidiaries. Exchange differences on translating foreign operations are presented before tax.

5 Purchase of treasury shares – during 2024, the Company purchased 45,280,605 ordinary shares, with an aggregate value of £0.9m 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.

6 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.

7 During 2025, the Company purchased and cancelled 91,858,626 ordinary shares with an aggregate nominal value of £1.7m. At 31 December 2025 the company had nil treasury shares (FY24: nil). Retained profits have been reduced by £45.7m (2024: £29.6m), being the net consideration paid for the purchase of shares, including expenses directly relating to the share purchase

8 Following the change in investment entity status (see note 3), IP Venture Fund II LP is no longer consolidated and the retained profit and non-controlling interest relating to the European Investment Fund's ownership share of the fund has been de-recognised, with a corresponding adjustment to retained earnings.

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 2025. 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 basis except that certain assets and liabilities are stated at their fair value in accordance with UK-adopted IFRS.

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 a gross cash and deposits balance cash of £211.0m, of which £16.5m of cash is held in consolidated subsidiaries and the remainder in fair value investment in subsidiaries. This provides liquidity for around two years' operating expenses and portfolio investment at recent levels, and scheduled debt repayments. Furthermore, the Group has a portfolio of investments valued at around £1.0bn, which is anticipated to provide further liquidity over the forecast period.

There was an inadvertent, technical breach the Group's financial covenants in the year (see Note 20). In dialogue with noteholders concerning the impact of the change in investment entity basis on the presentation of cash and cash equivalents in the consolidated financial statements, it was highlighted that cash was defined more tightly than cash equivalents, being restricted to only cash held in IP Group plc, whereas cash equivalents within any Group company were included. The Group had previously been working on the basis that cash held anywhere within the Group qualified for the purposes of the covenant, and this difference in interpretation only became apparent through those discussions with noteholders. The Group held £87.8m of cash and cash equivalents and a further £123.2m of deposits at the balance sheet date, but insufficient cash was held directly by the parent.

The Group is remedying this by transferring cash and short-term deposits to the parent after the period end and has also, after the period end, obtained a waiver in respect of any and all historical breaches from the lender. This breach has resulted in borrowings of £119.7m being reclassified from non-current to current liabilities at the year end. The Group maintains an ongoing dialogue with its noteholders and will monitor the covenants' position against forecasts and budgets to ensure that it operates within the prescribed limits. The liquid assets available to the Group including cash and cash equivalents in portfolio companies far exceeded the outstanding borrowing at the year end.

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 46.

B) Basis of Consolidation – applied from 16 December 2025

Investment Entity Status

The Group's adoption of the investment entity exemption under IFRS 10, including the date of adoption, accounting treatment and resulting impact on consolidation and measurement, is set out in Note 3.

Consolidated subsidiaries

From 16th December 2025, the consolidated financial statements of the Company (IP Group plc) include the results, cash flows and changes in equity of the following subsidiaries, which are deemed to provide services that relate to the Group's investment activities:

Name of subsidiary undertakings	Nature of business	% ownership
Top Technology Ventures Limited(iii)	Investment and corporate finance advisor	**100.0**
IP Venture Fund II (GP) LLP(iii)	General partner	**100.0**
IP Ventures (Scotland) Limited(iii)	General partner	**100.0**
IP2IPO Portfolio (GP) Limited(iii)	General partner	**100.0**
Parkwalk Advisors Limited	Investment advisor	**100.0**

All other group subsidiaries are held at fair value.

C) Basis of Consolidation – applied until 16 December 2025

(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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

1. Basis of preparation continued

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.

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.

The disclosures required by Section 409 of the Companies Act 2006 for associated undertakings are included in note 9 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 9 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 %	Fund Value 2025 £m
North America University Innovation LP (formerly IPG Cayman LP)	**68.1**	**22.3**
UCL Technology Fund LP ("UCL Fund")	**46.4**	**18.4**
Technikos LLP ("Technikos")	**17.8**	**1.3**

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.

vi) 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.

D) 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 investment entity subsidiaries (significant estimate)

Following the adoption of the investment entity exemption described in Note 3, the Group's most significant accounting estimates relate to the fair value measurement of investment entity subsidiaries. Detail on these estimates and the underlying valuation judgements is provided Note 28.

Investment entity valuation judgments

The fair value of investment entity subsidiaries reflects the fair value of the underlying assets and liabilities held within those entities, including equity and debt investments, the fair value of cash flows from intangible assets, limited partnership interests, deferred and contingent consideration receivable and carried interest plan liabilities. These assets and liabilities are measured in accordance with the Group's accounting policies set out in notes 13 and 14, applying valuation techniques that maximise the use of observable inputs and reflect market participant assumptions.

Significant judgement is applied in determining the appropriate valuation methodologies, assumptions and inputs used in measuring the fair value of the underlying portfolios, and in assessing whether the aggregate fair value appropriately reflects conditions at the reporting date. As substantially all of the assets and liabilities within investment entity subsidiaries are classified as Level 3, the resulting valuations are inherently uncertain and could differ materially from realised outcomes.

Judgments used in valuing investment entities fair value reflect consistent application of judgments set out below in respect of the investment assets held within those subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

2. Significant accounting estimates and judgements
continued

Pre-investment entity valuation judgments

Up to 16 December 2025, the Group did not apply the investment entity exemption under IFRS 10. Accordingly, significant accounting estimates arose in respect of the valuation of specific classes of assets recognised within the consolidated balance sheet, unquoted equity and debt investments, limited partnership interests and amounts receivable on the sale of equity and debt investments.

The Group's accounting policy in respect of the valuation of unquoted equity and debt investments is set out in note 14, in respect of limited partnership interests in note 15 and in respect of amounts receivable on sale of equity and debt investments in note 16. In applying this policy, the key areas over which judgement was exercised include:

- Selection of the appropriate valuation method
- 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 DCF 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.

Valuations were 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 14 provides disclosure details on sensitivity and estimation uncertainty.

Investment-specific critical estimates

Critical estimates in respect of the Group's investment in Istesso Limited, including Discounted Cash Flow "DCF" model assumptions in respect of the Phase 2b success rates, selected pharma partner deal size and discount rate, together with sensitivity disclosures in respect of these estimates, are disclosed in Note 28.

Critical estimates in respect of the Pfizer Obesity Royalty Interest, including DCF model assumptions in respect of the drug development timeline, clinical trial success rates and discount rate, together with sensitivity disclosures in respect of these estimates, are disclosed in Note 28.

(ii) Investment entity classification (significant judgment)

Significant judgement has been applied in determining that IP Group plc meets the definition of an investment entity as set out in IFRS 10 Consolidated Financial Statements. Details of the key considerations in making this judgment are included in Note 3.

Application of IFRS 10 in respect of Istesso Limited and IPG Cayman LP

Following the change in investment entity basis described in Note 3, judgments made relating to the application of IFRS 10 in respect of Istesso Limited and IPG Cayman Fund L.P. (Longview Innovation) are no longer significant at 31 December 2025. Both entities continued not to be consolidated prior to the change in investment entity basis, in line with the judgment documented in the prior year financial statements.

3. Change in IFRS 10 Investment Entity basis

Historically, IP Group has not qualified as an investment entity under IFRS 10, which requires an entity to meet three conditions:

i. obtaining funds from investors to provide investment management services;
ii. having a business purpose focused solely on returns from capital appreciation, investment income, or both; and
iii. measuring and evaluating the performance of substantially all investments on a fair value basis.

The Group had not previously fully met these criteria due to several features of its activities: the flexibility to pursue direct commercialisation of intellectual property where this was considered the most attractive route to shareholder value; the ability to hold investments indefinitely; and the absence of defined exit strategies for early stage assets.

During 2025, a number of developments prompted a reassessment of this conclusion, the most significant being the transformation of the Group's licensing business. Historically, licensing had operated as an active commercialisation function, resourced

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

3. Change in IFRS 10 Investment Entity basis continued

and managed as a trading-oriented activity and generating modest recurring revenues. However, the substantial increase in the value of the Pfizer Obesity Royalty Interest — driven by Metsera's clinical progress and subsequent acquisition by Pfizer for up to $10bn in November 2025 shifted the nature of the business. The licensing function is now focused on managing a small number of higher value assets which are assessed on a fair value basis consistent with investment management rather than operational performance, leading to its reclassification as an investing activity and providing a clear trigger for the re-assessment of the Group's investment entity status.

In addition, the Group's increased emphasis on portfolio realisations has reduced the relevance of holding assets indefinitely and has led to clearer exit strategies across the portfolio, including at earlier stages. Although these latter changes evolved gradually and did not present a single clear trigger point, they collectively strengthened alignment with the IFRS 10 investment entity criteria.

At its meeting on 16 December, the Committee made an active decision to agree a change in the measurement basis and investment classification of the licensing business. As a result of this decision, together with the documentation of exit strategies and the monitoring of fair value for assets not previously measured on that basis, the Committee concluded that the Group satisfied all three qualifying conditions for classification as an investment entity. The Committee recommended the reclassification to the IP Group plc Board of Directors, which subsequently approved it.

Following the decision to change in investment entity status on 16 December 2025, the Group ceased to consolidate its investment entity subsidiaries and now recognises these subsidiaries at their fair value as at 31 December 2025. Substantially all the £117.8m gain recognised on the change in investment entity status arises from the inclusion of the licences at fair value. Licences were valued at £99.1m, tax losses included within the valuation of IP2IPO Innovations Limited at £10.3m and £8.4m of Deferred tax recognised within investment entity subsidiaries.

4. Financial risk management

As set out in the principal risks and uncertainties section on pages 38 to 45, 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 7 investments valued at £133.2m at 31 December 2025 which are publicly traded (2024: nine investments; £140m), and the remainder of its investments are not traded on an active market.

The net portfolio gain in 2025 of £64.0m represents an 8% increase against the opening balance of the portfolio (2024: loss of £195.0m; 17% decrease). Sensitivity analysis showing the impact of movements in quoted equity and debt investments is disclosed in note 14, and movements in Limited and Limited Liability interests is shown in note 15.

(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 14 and 15.

The Group's US dollar-denominated proceeds included in deferred consideration at December 2025 was £40.3m (2024: £2.5m).

The Group periodically enters into forward foreign exchange contracts to mitigate risk of exchange rate exposure in respect of non GBP-denominated proceeds. At 31 December 2025, the Group had outstanding forward foreign exchange contracts with a notional amount of £16.9m. The fair value of these contracts at year end was a £0.2m asset (2024: £nil).

(iii) Interest rate risk

The Group holds a loan note facility primarily with Standard Life (previously named Phoenix Group) with the overall balance as at 31 December 2025 amounting to £120m (excluding setup costs). These loans all bear a fixed rate of interest, with the annual average interest rate being 5.25% (2024: 5.09%).

For further details of the Group's loans including covenant details see note 20.

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 its exposure to the US as a result of the dilution of its holding in IPG Cayman Fund L.P. (Longview Innovation). 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 117 summarises the interest rate profile of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

4. Financial risk management continued

	2025				2024			
	Fixed rate £m	Floating rate £m	Interest free £m	Total £m	Fixed rate £m	Floating rate £m	Interest free £m	Total £m
Financial assets								
Investments in investment entity subsidiaries	**123.0**	**71.4**	**879.4**	**1,073.8**	–	–	–	–
Equity investments	**–**	**–**	**–**	**–**	–	–	713.8	713.8
Debt investments	**–**	**–**	**3.4**	**3.4**	–	–	51.6	51.6
Limited and limited liability partnership interests	**–**	**–**	**1.2**	**1.2**	–	–	58.1	58.1
Assets held for sale	**–**	**–**	**–**	**–**	–	–	13.9	13.9
Trade receivables	**–**	**–**	**0.2**	**0.2**	–	–	0.7	0.7
Other receivables	**–**	**–**	**3.0**	**3.0**	–	–	5.6	5.6
Receivable on sale of debt and equity investments	**–**	**–**	**–**	**–**	–	–	20.1	20.1
Deposits	**–**	**–**	**–**	**–**	170.0	–	–	170.0
Cash and cash equivalents	**–**	**16.5**	**–**	**16.5**	10.8	104.4	0.4	115.6
Total	**123.0**	**87.9**	**887.2**	**1,098.1**	180.8	104.4	864.2	1,149.4
Financial liabilities								
Trade payables	**–**	**–**	**(0.2)**	**(0.2)**	–	–	(0.3)	(0.3)
Other accruals and deferred income	**–**	**–**	**(2.8)**	**(2.8)**	–	–	(12.2)	(12.2)
Borrowings	**(119.7)**	**–**	**–**	**(119.7)**	(129.1)	–	–	(129.1)
Carried interest plan liability	**–**	**–**	**–**	**–**	–	–	(27.3)	(27.3)
Deferred tax liability	**–**	**–**	**(0.8)**	**(0.8)**	–	–	(4.5)	(4.5)
Loans from Limited Partners of consolidated funds	**–**	**–**	**–**	**–**	–	–	(19.9)	(19.9)
Other non-current liabilities	**–**	**–**	**–**	**–**	–	–	(5.4)	(5.4)
Total	**(119.7)**	**–**	**(3.8)**	**(123.5)**	(129.1)	–	(69.6)	(198.7)

At 31 December 2025, if interest rates had been 1% higher/lower, post-tax profit/(loss) for the year, and other components of equity, would have been £2.3m (2024: £1.8m) higher/lower as a result of higher interest received on cash and deposits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

4. Financial risk management continued

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.

Credit rating	2025 £m	2024 £m
P1	**132.8**	206.9
AAAMMF[1]	**78.1**	78.6
Other[2]	**0.1**	0.1
Total deposits and cash and cash equivalents (including cash and deposits held within investment entity subsidiaries)	**211.0**	285.6

1 The Group holds £78.1m (2024: £78.6m) with JP Morgan GBP liquidity fund, which has a AAAMMF credit rating with Fitch.

2 The Group holds £0.1m (2024: £0.1m) 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 0.102869% (2024: 0.021279%).

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 2025 was the greater of 60% of total group cash or £50m (2024: 60%; £50m). In addition, no single institution may hold more than the higher of 50% of total cash or £50m. (2024: 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

5. 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.

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.

6. Operating segments

For both the year ended 31 December 2025 and the year ended 31 December 2024, 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 'HealthTech' thematic area
ii. Venture Capital investing within our 'DeepTech' thematic area
iii. Venture Capital investing within our 'CleanTech' 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

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.

The change in investment entity status described in Note 3 does not impact the Group's operating segments which continue to be managed based on portfolio investment theme.

These activities are described in further detail in the strategic report on pages 01 to 23.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

6. Operating segments continued

	Year ended 31 December 2025							
Statement of comprehensive Income	Venture capital investing: HealthTech £m	*Of which Oxford Nanopore* £m	Venture capital investing: DeepTech £m	Venture capital investing: CleanTech £m	Venture capital investing: Other £m	Venture capital investing: Total £m	Third-party fund management £m	Consolidated £m
Portfolio return and revenue								
Change in fair value of equity and debt investments	(31.0)	(1.6)	(16.9)	(23.4)	1.2	(70.1)	–	(70.1)
Change in investment status	117.8	–	–	–	–	117.8	–	117.8
(Loss)/gain on disposal of equity and debt investments	37.6	1.0	0.9	(1.0)	–	37.5	–	37.5
Change in fair value of limited and limited liability partnership interests					(12.8)	(12.8)	–	(12.8)
Revenue from services and other income					(0.8)	(0.8)	8.2	7.4
	124.4	(0.6)	(16.0)	(24.4)	(12.4)	71.6	8.2	79.8
Administrative expenses[1]								
Carried interest plan release[1]					7.0	7.0	–	7.0
Share-based payment charge[1]					(2.0)	(2.0)	(0.4)	(2.4)
Other administrative expenses[1]					(16.8)	(16.8)	(6.6)	(23.4)
	–	–	–	–	(11.8)	(11.8)	(7.0)	(18.8)
Operating profit/(loss)	124.4	(0.6)	(16.0)	(24.4)	(24.2)	59.8	1.2	61.0
Finance income[1]					9.6	9.6	0.6	10.2
Finance costs[1]					(6.4)	(6.4)	–	(6.4)
Profit/(loss) before taxation	124.4	(0.6)	(16.0)	(24.4)	(21.0)	63.0	1.8	64.8
Taxation[1]					2.1	2.1	–	2.1
Profit/(loss) for the year	124.4	(0.6)	(16.0)	(24.4)	(18.9)	65.1	1.8	66.9
STATEMENT OF FINANCIAL POSITION								
Assets	561.4	102.0	144.3	158.8	216.2	1,080.7	17.9	1,098.6
Liabilities[1]					(119.0)	(119.0)	(4.5)	(123.5)
Net assets	561.5	102.0	144.3	158.8	91.2	961.7	13.4	975.1
Other segment items								
Portfolio investment[2]	(26.1)	–	(29.3)	(12.4)	(2.7)	(70.5)	–	(70.5)
Cash proceeds[2]	49.1	4.0	10.5	2.9	54.7	68.1	–	68.1

1 These amounts cannot be apportioned to the individual segments of the venture capital investing business.

2 Note 29 details the Alternative Performance Measures ("APM")

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

6. Operating segments continued

	Year ended 31 December 2024							
Statement of Comprehensive Income	Venture capital investing: HealthTech £m	Of which Oxford Nanopore £m	Venture capital investing: DeepTech £m	Venture capital investing: CleanTech £m	Venture capital investing: Other £m	Venture capital investing: Total £m	Third-party fund management £m	Consolidated £m
Portfolio return and revenue								
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)
Administrative expenses[1]								
Carried interest plan credit[1]					7.9	7.9	–	7.9
Share-based payment charge[1]					(1.6)	(1.6)	(0.3)	(1.9)
Other administrative expenses[1]					(19.8)	(19.8)	(5.5)	(25.3)
	–	–	–	–	(13.5)	(13.5)	(5.8)	(19.3)
Operating loss	(118.5)	(66.3)	10.5	(75.1)	(25.1)	(208.2)	(0.6)	(208.8)
Finance income[1]					8.1	8.1	0.7	8.8
Finance costs[1]					(6.7)	(6.7)	–	(6.7)
Loss before taxation	(118.5)	(66.3)	10.5	(75.1)	(23.7)	(206.8)	0.1	(206.7)
Taxation[1]					(0.3)	(0.3)	–	(0.3)
Loss for the year	(118.5)	(66.3)	10.5	(75.1)	(24.0)	(207.1)	0.1	(207.0)
STATEMENT OF FINANCIAL POSITION								
Assets	463.1	106.6	101.1	215.9	352.0	1,132.1	19.1	1,151.2
Liabilities[1]					(191.8)	(191.8)	(6.9)	(198.7)
Net Assets	463.1	106.6	101.1	215.9	160.2	940.3	12.2	952.5
Other segment items								
Portfolio investment[2]	(36.3)	(1.0)	(8.5)	(15.7)	(2.5)	(63.0)	–	(63.0)
Cash proceeds[2]	30.4	1.6	148.9	–	4.1	183.4	–	183.4

1 These amounts cannot be apportioned to the individual segments of the venture capital investing business.

2 Note 29 details the Alternative Performance Measures ("APM")

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

7. Auditor's remuneration

Details of the auditor's remuneration are set out below:

	2025 £000	2024 £000
Audit of these financial statements (KPMG LLP)	**547.1**	635.9
Audit of financial statements of funds and subsidiaries of the companies (KPMG LLP)	**182.9**	153.5
Audit related assurance services (KPMG LLP)	**70.0**	74.3
Total assurance services	**800.0**	863.7

8. Operating profit/(loss)

Operating profit/(loss) has been arrived at after charging:

	2025 £m	2024 £m
Depreciation of right-of-use asset, property, plant and equipment	**(0.5)**	(0.6)
Total employee costs (see note 10)	**(16.8)**	(19.0)

9. Other administrative expenses

Other administrative expenses comprise:

	2025 £m	2024 £m
Employee costs (excluding share-based payment charge and restructuring costs)	**14.4**	14.7
Restructuring costs – labour	**–**	2.4
Professional services	**2.8**	3.2
Restructuring costs – professional services	**–**	0.3
Depreciation of tangible assets	**0.5**	0.6
Other expenses	**5.7**	4.1
Total	**23.4**	25.3

10. 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 Restricted Share Plan ("RSP") 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 80 to 88 and note 22 for further details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

10. Employee costs continued

Employee costs (including Executive Directors) comprise:

	2025 £m	2024 £m
Salaries	**9.6**	10.6
Defined contribution pension cost	**0.9**	1.1
Other bonuses accrued in the year	**2.4**	1.8
Social security	**1.5**	1.2
Restructuring costs – labour	**–**	2.4
Employee costs	**14.4**	17.1
Share-based payment charge (see note 22)	**2.4**	1.9
Total employee costs	**16.8**	19.0

The average monthly number of persons (including Executive Directors) employed by the Group during the year was 69 (2024: 98), all of whom were involved in management and administration activities. General details of the Directors' remuneration can be found in the audited sections of the Directors' Remuneration Report on pages 80 to 88.

11. 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.

	2025 £m	2024 £m
Current tax		
UK corporation tax on profits for the year	**–**	–
Foreign tax	**–**	–
	–	–
Deferred tax charge	**(2.1)**	0.3
Total tax	**(2.1)**	0.3

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

11. Taxation continued

The amount for the year can be reconciled to the profit/(loss) per the statement of comprehensive income as follows:

	2025 £m	2024 £m
Profit/(loss) before tax	**64.8**	(206.7)
Tax at the UK corporation tax rate of 25% (2024: 23.52%)	**16.2**	(51.7)
Expenses not deductible for tax purposes	**(1.2)**	(1.8)
Income not taxable	**(9.4)**	(15.9)
Fair value movement on investments qualifying for SSE	**(10.6)**	65.8
Movement on share-based payments	**–**	0.3
Movement in tax losses arising not recognised	**2.9**	3.6
Total tax charge	**(2.1)**	0.3

Following the change in investment entity designation described in Note 3, the majority of temporary difference, unused tax losses and deferred tax were reallocated to investment entity subsidiaries which are not consolidated.

At 31 December 2025, deductible temporary differences and unused tax losses, for which no deferred tax asset has been recognised, totalled £20.8m (2024: £333.0m). An analysis is shown below:

	2025		2024	
	Amount £m	Deferred tax £m	Amount £m	Deferred tax £m
Share-based payment costs and other temporary differences	**(1.2)**	**(0.3)**	(52.4)	(13.1)
Unused tax losses	**(19.6)**	**(4.9)**	(279.6)	(69.9)
Total unrecognised deferred tax asset	**(20.8)**	**(5.2)**	(333.0)	(83.0)

At 31 December 2025, deductible temporary differences and unused tax losses, for which a deferred tax liability has been recognised, totalled £3.2m (2024: £18.0m). An analysis is shown below:

	2025		2024	
	Amount £m	Deferred tax £m	Amount £m	Deferred tax £m
Temporary timing differences	**6.8**	**1.7**	39.6	9.9
Unused tax losses	**(3.6)**	**(0.9)**	(21.6)	(5.4)
Total recognised deferred tax liability	**3.2**	**0.8**	18.0	4.5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

12. Earnings per share

Earnings	2025 £m	2024 £m
Profit/(loss) after tax for the year	**66.9**	(207.0)
Non-controlling interest	**(0.1)**	4.4
Earnings for the purposes of basic and dilutive earnings per share	**66.8**	(202.6)

Number of shares	2025 Number of shares	2024 Number of shares
Weighted average number of ordinary shares for the purposes of basic earnings per share	**922,660,204**	1,014,672,586
Effect of dilutive potential ordinary shares: Options or contingently issuable shares	**18,072,389**	–
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**940,732,593**	1,014,672,586

	2025 pence	2024 pence
Basic	**7.24**	(19.97)
Diluted	**7.10**	(19.97)

Potentially dilutive ordinary shares include contingently issuable shares arising under the Group's RSP 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.

13. 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 investment entity subsidiaries, (see Note 3 for a description of the change in Investment Entity designation in the year), 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 Deferred tax and loan notes provided by Standard Life.

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.

13. Categorisation of financial instruments continued

Financial assets	At fair value through profit or loss £m	Amortised cost £m	Total £m
Investment in investment entity subsidiaries	**1,073.8**	**–**	**1,073.8**
Equity investments	**–**	**–**	**–**
Debt investments	**3.4**	**–**	**3.4**
Limited and limited liability partnership interests	**1.2**	**–**	**1.2**
Trade and other receivables	**–**	**3.3**	**3.3**
Cash and cash equivalents	**–**	**16.5**	**16.5**
At 31 December 2025	**1,078.4**	**19.8**	**1,098.2**
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
At 31 December 2024	857.5	291.9	1,149.4

In light of the credit ratings applicable to the Group's cash and cash equivalent and deposits, (see note 4 for further details), we estimate expected credit losses on the Group's receivables to be under £0.1m and therefore not disclosed further (2024: 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 (2024: 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 (2024: £nil) is attributable to financial assets classified as fair value through profit and loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

14. 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 2025).

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 2025 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: DCF: 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.
- Other: Receipt of expected sale proceeds: The fair value of deferred and contingent consideration arising from the sale of an investment, determined by estimating the expected future cash proceeds under the sale agreement. This reflects the contractual terms of the transaction, including the timing, amount and conditions of expected receipts, and involves discounting the expected proceeds to present value where payment is deferred and/or applying probability-weighting where receipt is contingent on the achievement of specified milestones.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

14. Equity and debt investments and Assets Held for Sale continued

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'.

The table below summarises the unrealised gains and losses on revaluation of debt and equity investments during the year

	Level 1	Level 3		
	Equity investments in quoted spin-out companies £m	Unquoted equity investments in spin-out companies £m	Debt investments in unquoted spin-out companies £m	Total £m
At 1 January 2024	**203.8**	**807.7**	**83.7**	**1,095.2**
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)
Fees settled via equity	(7.1)	(6.8)	–	(13.9)
Other change in portfolio value	–	(1.1)	(0.1)	(1.2)
Change in fair value[1]	(53.7)	(187.4)	1.7	(239.4)
FX translation[1]	0.1	(5.5)	(1.3)	(6.7)
At 1 January 2025	**133.1**	**580.7**	**51.6**	**765.4**
Investments	–	51.3	16.7	68.0
Transaction-based reclassifications	–	(10.5)	10.5	–
Other transfers between hierarchy levels	36.6	(36.6)	–	–
Disposals	(35.6)	(12.6)	(1.30)	(49.5)
Reclassification from Assets Held for Sale	–	3.9	–	3.9
Fees settled via equity	–	0.1	–	0.1
Change in revenue share	–	(2.1)	3.4	1.3
Change in fair value[1]	2.1	(65.2)	(1.7)	(64.8)
FX translation[1]	(2.9)	(1.9)	(0.5)	(5.3)
Change in investment entity status (note 28)	(133.3)	(507.1)	(75.3)	(715.7)
At 31 December 2025	**–**	**–**	**3.4**	**3.4**

[1] The total unrealised change in fair value and FX in respect of Level 3 investments was a gain of £68.2m (2024: loss of £192.5m).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

14. Equity and debt investments and Assets Held for Sale

continued

Unquoted equity and debt investments 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 £36.6m in respect of Hinge Health (FY24: £nil). 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 instance in the current year, totalling £nil (2024: no instances, 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 £10.5m (2024: £49.8m).

See note 3 and note 28 for further details on the change of investment entity basis, and details of equity and debt investments included at fair value within investment entity subsidiaries at 31 December 2025.

Change in fair value in the year (including fx)	2025 £m	2024 £m
Fair value gains	**59.1**	42.7
Fair value losses	**(129.2)**	(288.8)
Total	**(70.1)**	(246.1)

15. 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 14. 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, as estimated based on the managers' NAVs. The Managers' 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	2025 £m	2024 £m
IPG Cayman Fund L.P. (Longview Innovation)	USD	n/a	**–**	37.7
UCL Technology Fund L.P.	GBP	n/a	**–**	18.0
Technikos LLP	GBP	Unaudited	**1.2**	2.4
Total			**1.2**	58.1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

15. Limited and limited liability partnership interests

continued

Limited & Limited Liability Partnerships movements in year	£m
At 1 January 2024	**69.7**
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
At 1 January 2025	**58.1**
Investments during the year	2.5
Distribution from Limited Partnership funds	(5.6)
Change in fair value during the year	(12.8)
Currency revaluation	(0.3)
Change in investment entity status (see note 28)	(40.7)
At 31 December 2025	**1.2**

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.

See Notes 3 and Note 28 for further details on the change of investment entity basis, and details of limited partnership interests included at fair value within investment entity subsidiaries at 31 December 2025.

16. 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.

	2025 £m	2024 £m
Deferred and contingent consideration (non-current)	–	18.5
Deferred and contingent consideration (current)	–	1.6
Total deferred and contingent consideration	–	20.1

See Note 3 and Note 28 for further details on the change of investment entity basis, and details of amounts receivable on sale of equity and debt investments included at fair value within investment entity subsidiaries at 31 December 2025.

17. Gain on disposal of equity and debt investments

	2025 £m	2024 £m
Proceeds from sale of equity and debt investments	**52.5**	182.2
Movement in amounts receivable on sale of debt and equity investments	**34.5**	10.9
Carrying value of investments disposed	**(49.5)**	(129.4)
Gain on disposal	**37.5**	63.7

Gain on disposal of investments is calculated as disposal proceeds plus the movement in 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 if the full amount expected is received.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

18. Trade and other receivables

Current assets	2025 £m	2024 £m
Trade debtors	–	0.7
Prepayments	**0.1**	0.8
Interest receivable	–	1.3
Other receivables	**3.2**	3.5
Trade and other receivables	**3.3**	6.3

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.

19. Trade and other payables

Current liabilities	2025 £m	2024 £m
Trade payables	**0.2**	0.3
Social security expenses	**0.1**	0.6
Bonus accrual	**0.7**	2.7
Lease liability	–	1.0
Payable to Imperial College and other third parties under revenue share obligations	–	3.4
Other accruals and deferred income	**2.0**	4.5
Trade and other payables	**3.0**	12.5

20. Borrowings and Loans from Limited Partners of controlled funds

Current liabilities	2025 £m	2024 £m
Borrowings	**119.7**	6.3
Total	**119.7**	6.3

Non–current liabilities	2025 £m	2024 £m
Loans drawn down from the Limited Partners of controlled funds	–	19.9
Borrowings	–	122.8
Total	–	142.7

(i) Loans drawn down from the Limited Partners of controlled funds

Accounting Policy:

Prior to the change in investment entity basis described in see note 3, the Group consolidated the assets of a co–investment fund, IP Venture Fund II LP, which it manages. Loans from third parties of consolidated funds represent loans from external LPs into the 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 of £nil (2024: £19.9m).

See note 28 for details of loans drawn down from the Limited Partners of controlled funds included at fair value within investment entity subsidiaries at 31 December 2025.

A reconciliation of the movement in loans drawn from the Limited Partners of controlled funds is as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

20. Borrowings and Loans from Limited Partners of controlled funds continued

	2025 £m	2024 £m
At 1 January	**19.9**	19.8
Drawdown of funds	**–**	0.1
Distribution of funds	**(1.6)**	–
Change in investment entity status (see note 28)	**(18.3)**	–
At 31 December	**–**	19.9

(ii) 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.

Description	Initial amount	Outstanding amount	Date drawn	Interest rate	Repayment commencement date & terms
IP Group Series A Notes	£20.0m	£20.0m	Dec 2022	Fixed 5.23%	Repayable in full in Dec 2027
IP Group Series B Notes	£20.0m	£20.0m	Dec 2022	Fixed 5.21%	Repayable in full in Dec 2028
IP Group Series C Notes	£20.0m	£20.0m	Dec 2022	Fixed 5.30%	Repayable in full in Dec 2029
IP Group Series D Notes	£20.0m	£20.0m	Jun 2023	Fixed 5.23%	Repayable in full in Dec 2027
IP Group Series E Notes	£20.0m	£20.0m	Jun 2023	Fixed 5.21%	Repayable in full in Dec 2028
IP Group Series F Notes	£20.0m	£20.0m	Jun 2023	Fixed 5.30%	Repayable in full in Dec 2029
Total	**£120.0m**	**£120.0**			

Loans totalling £120.0m (2024: £129.4m) are subject to fixed interest rates and are recognised at amortised cost. The fair value of these loans as at 31 December 2025 is £119.7m (2024: £118.7m).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

20. Borrowings and Loans from Limited Partners of controlled funds continued

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.

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

There was an inadvertent, technical breach the Group's £25m minimum cash covenant in the year. In dialogue with noteholders concerning the impact of the change in investment entity basis on the presentation of cash and cash equivalents in the consolidated financial statements, it was highlighted that cash was defined more tightly than cash equivalents, being restricted to only cash held in IP Group plc, whereas cash equivalents within any Group company were included. The Group had previously been working on the basis that cash held anywhere within the Group qualified for the purposes of the covenant, and this difference in interpretation only became apparent through those discussions with noteholders. The Group held £87.8m of cash and cash equivalents and a further £123.2m of deposits at the balance sheet date, but insufficient cash was held directly by the parent.

The Group has remedied this by transferring cash to the parent after the period end and has also, after the period end, obtained a waiver in respect of any and all historical breaches from the lender. This breach has resulted in borrowings of £119.7m being reclassified from non-current to current liabilities at the year end. The Group maintains an ongoing dialogue with its noteholders and will monitor the covenants' position against forecasts and budgets to ensure that it operates within the prescribed limits. The liquid assets available to the Group including cash and cash equivalents in portfolio companies far exceeded the outstanding borrowing at the year end.

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 EIB loan of £3.1m was repaid in full in January 2026, the Group had complied with all covenants contained within the EIB loan up to the date of its repayment.

The maturity profile of the borrowings including undiscounted cash flows and fixed interest is as follows:

	2025 £m	2024 £m
Due within 6 months	**3.1**	6.2
Due 6 to 12 months	**3.1**	6.3
Due 1 to 5 years	**132.4**	141.8
Total[1]	**138.6**	154.3

The maturity profile of the borrowings was as follows:

	2025 £m	2024 £m
Due within 6 months	**–**	3.1
Due 6 to 12 months	**–**	3.1
Due 1 to 5 years	**120.0**	123.2
Total[1]	**120.0**	129.4

1 These are gross amounts repayable and exclude amortised costs of £0.3m (2024: £0.4m) incurred on obtaining the Standard Life 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:

	2025 £m	2024 £m
At 1 January	**129.1**	135.2
Repayment of debt	**(6.3)**	(6.1)
Change in investment entity status (see note 28)	**(3.1)**	–
At 31 December	**119.7**	129.1

There were no non–cash movements in debt.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

21. 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.

	2025		2024	
Issued and fully paid:	**Number**	**£m**	**Number**	**£m**
Ordinary shares of 2p each				
At 1 January	**975,286,268**	**19.5**	1,063,188,005	21.3
Shares purchased and cancelled	**(91,858,626)**	**(1.7)**	(20,609,101)	(0.4)
Cancellation of shares held in Treasury	**–**	**–**	(67,292,636)	(1.4)
Share capital at 31 December	**883,427,642**	**17.8**	975,286,268	19.5
Existing treasury shares at 1 January	**–**	**–**	(26,493,520)	(0.5)
Purchase of treasury shares	**–**	**–**	(45,280,605)	(0.9)
Cancellation of treasury shares	**–**	**–**	67,292,636	1.3
Shares transferred out of treasury for SAYE	**–**	**–**	–	–
Settlement of employee share-based payments	**–**	**–**	4,481,489	0.1
Outstanding at 31 December	**883,427,642**	**17.8**	975,286,268	19.5

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 2025, the Company purchased and cancelled 91,858,626 ordinary shares with an aggregate nominal value of £1.7m. At 31 December 2025 the company had nil treasury shares (FY24: nil). Retained profits have been reduced by £45.7m (2024: £29.6m), being the net consideration paid for the purchase of shares, including expenses directly relating to the share purchase

During 2024, the Company purchased 45,280,605 ordinary shares, with an aggregate value of £0.9m 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

22. Share-based payments

In 2025, the Group continued to incentivise employees through its Restricted Share Plan (RSP) and Annual Incentive Scheme (AIS). The main terms of both are described in more detail in the Directors' Remuneration Report on pages 80 to 83.

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 2025	Weighted-average exercise price 2025	Number of options 2024	Weighted-average exercise price 2024
At 1 January	**2,138,580**	**–**	2,153,379	–
AIS deferral shares award during the year	**1,669,980**	**–**	1,578,434	–
Exercised during the year	**(1,349,363)**	**–**	(1,593,233)	–
Forfeit during the year	**(136,704)**	**–**	–	–
At 31 December	**2,322,493**	**–**	2,138,580	–
Exercisable at 31 December	**–**	**–**	–	–

A total of 1,349,363 options were exercised in the year relating to the 2023 and 2024 DBSPs, which comprised 1,349,363 conditionally awarded shares exercised on 29 April 2025, in addition to 12,453 shares related to dividends accrued on those conditional awards.

The options outstanding at 31 December 2025 had an exercise price of £nil (2024: £nil) and a weighted-average remaining contractual life of 0.6 years (2024: 0.6 years).

The weighted average share price at the date of exercise for share options exercised in 2025 was 44.7p (2024: 48.3p).

As the 2025 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 2025.

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 2023, 2024 and 2025 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 83.

The 2025 RSP awards were made on 29 April 2025. The awards will ordinarily vest on 31 March 2028, 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 2025	Weighted-average exercise price 2025	Number of options 2024	Weighted-average exercise price 2024
At 1 January	**17,710,631**	**–**	10,238,863	–
Lapsed during the year	**(3,346,931)**	**–**	–	–
Forfeited during the year	**(1,161,435)**	**–**	(1,362,198)	–
Notionally awarded during the year	**8,115,924**	**–**	8,833,966	–
At 31 December	**21,318,189**	**–**	17,710,631	–
Exercisable at 31 December	**–**	**–**	–	–

The options outstanding at 31 December 2025 had an exercise price of £nil (2024: £nil) and a weighted-average remaining contractual life of. 1.3 years (2024: 3.5 years).

The fair value of the RSP shares notionally awarded in 2025 was calculated using the Finnerty pricing model with the following key assumptions:

	2025	2024
IP Group share price as of valuation date	**£0.435**	£0.539
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	**£0.17**	£0.21

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

22. Share–based payments continued

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 vested over the prescribed performance period to the extent that performance conditions have been met. The Remuneration Committee imposed objective conditions on the vesting of awards and these took 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 85.

At the start of the year the only remaining outstanding conditionally awarded shares related to the 2020 awards, which vested in 2023 and were 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 2025	Weighted-average exercise price 2025	Number of options 2024	Weighted-average exercise price 2024
At 1 January	**1,064,505**	**–**	7,728,493	–
Lapsed during the year	**(1,879)**	**–**	(3,950,040)	–
Forfeited during the year	**–**	**–**	(10,907)	–
Exercised during the year	**(1,062,626)**	**–**	(2,703,041)	–
At 31 December	**–**	**–**	1,064,505	–
Exercisable at 31 December	**–**	**–**	1,064,505	–

A total of 1,062,626 options were exercised on 29 April 2025 relating to the 2020 Long Term Incentive Plans (LTIPs).

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 £2.4m (2024: £1.9m).

The aggregate gain made by Directors on the exercise of options in the year was £0.2m (2024: £0.4m).

23. 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 portfolio value 57% are included in LTICS arrangements (2024: 66%).

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 itself is a significant accounting estimate). The actual amounts of carried interest paid are determined by cash realisations of individual vintages, and valuations may change significantly in the next financial year. Charges/credits in respect of the liability are recognised in the consolidated statement of comprehensive income.

	2025	2024
At 1 January	**27.3**	38.0
Credit for the year	**(7.0)**	(7.9)
Payments made in the year	**(4.3)**	(2.5)
Foreign exchange rate movement	**–**	(0.3)
Change in investment entity status	**(16.0)**	–
At 31 December	**–**	27.3

See Notes 3 and 28 for further details on the change of investment entity basis, and details of carried interest plan liabilities included at fair value within investment entity subsidiaries at 31 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

24. 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 2025:

Director/PDMR	Company name	Number of shares held at 1 January 2025	Number of shares acquired/ (disposed of) in the period	Number of shares held at 31 December 2025	%
Greg Smith	Alesi Surgical Limited	2	–	**2**	<0.1%
	Emdot Limited	4	–	**4**	0.23%
	Istesso Limited	313,425	–	**313,425**	0.37%
	Itaconix plc	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%
David Baynes	Alesi Surgical Limited	4	–	**4**	<0.1%
	Arkivum Limited	377	–	**377**	<0.1%
	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[1]	424	–	**424**	0.11%
Mark Reilly	AudioScenic Limited	53	–	**53**	<0.1%
	Bramble Energy Limited[1]	16	–	**16**	<0.1%
	Diffblue Limited	8,038	–	**8,038**	<0.1%
	Fortify Solutions Cambridge Limited	-	1,190	**1,190**	<0.1%
	Itaconix plc	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%

1 Company being closed down.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

24. 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:

	2025 £000	2024 £000
Short–term employee benefits[1]	**2,180**	2,176
Post–employment benefits[2]	**35**	48
Share–based payments[3]	**842**	615
Total	**3,057**	2,839

1 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.

2 Represents employer contributions to defined contribution pension and life assurance plans.

3 Represents the accounting charge for share-based payments, reflecting LTIP and DBSP options currently in issue as part of these schemes. See note 22 for a detailed description of these schemes.

B) Portfolio companies

(i) Services

The Group may earn fees from the provision of 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. Revenue from such services was nil in the current and prior year. Receivables in respect of such services were nil in the current year and £0.1m in the prior year.

Statement of comprehensive income	2025 £m	2024 £m
Revenue from services	**–**	–

Statement of financial position	2025 £m	2024 £m
Trade receivables	**–**	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:

Statement of comprehensive income	2025 £m	2024 £m
Net portfolio (losses)/gains	**(20.1)**	(125.7)

Statement of financial position	2025 £m	2024 £m
Equity and debt investments	**336.4**	345.8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

24. 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 were eliminated at a consolidated level in 2024 and are included on a net basis within investments in investment entity subsidiaries in 2025) with other Group companies which are disclosed as follows:

	2025 £m	2024 £m
Intercompany balances with other Group companies	**2.2**	2.2

These intercompany balances represent funding loans provided by Group companies that are interest free, repayable on demand and unsecured.

25. Capital management

The Group's key objective when managing capital, as set out in note 21, 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 2025, the Group's strategy, which was unchanged from 2024, 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 20. 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.

26. 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 2025:

Year ended 31 December 2025	Year of commencement of commitment	Commitment £m	Invested to date £m	Remaining commitment £m
IP Venture Fund II LP	**2013**	**10.0**	**10.0**	**–**
UCL Technology Fund LP	**2016**	**24.8**	**23.5**	**1.3**
Total at 31 December 2025		**34.8**	**33.5**	**1.3**

Year ended 31 December 2024	Year of commencement of commitment	Commitment £m	Invested to date £m	Remaining commitment £m
IP Venture Fund II LP	2013	10.0	10.0	–
UCL Technology Fund LP	2016	24.8	23.4	1.4
Total at 31 December 2024		34.8	33.4	1.4

27. Share buyback

On 18 November 2025 the Group completed its £75m buyback programme. The buyback was originally announced on 18 December 2023 with an initial £20m, subsequently increased by £10m on 7 October 2024, £25m on 9 January 2025 and £20m on 26 June 2025. Since commencing its buyback programme, the Group has purchased 157,968,634 shares at an average price of 47.5 pence per share for an aggregate consideration of £75m. Of the shares acquired under the buyback programme 4,481,489 were used to settle employee share-based payments in 2024, and the remainder were cancelled.

There were no dividends paid or proposed in the current year or prior year

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

28. Fair value measurement within investment entity subsidiaries

Accounting policy:

Following the adoption of the investment entity exemption under IFRS 10 Consolidated Financial Statements, certain subsidiaries of the Group are not consolidated on a line by line basis but are instead measured at fair value through profit or loss. These subsidiaries comprise entities that are funded via debt and equity instruments by the group and whose activities are consistent with the Group's business purpose of investing for returns from capital appreciation, investment income, or both, and whose performance is evaluated on a fair value basis.

The fair value of investment entity subsidiaries is determined based on the fair value of the underlying assets and liabilities held within those subsidiaries, measured in accordance with IFRS 13 Fair Value Measurement. There is no material difference between the fair value of the directly held investment entity subsidiaries and the fair value of the underlying assets and liabilities held by those subsidiaries. Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The valuation of investment entity subsidiaries is therefore derived from the fair value measurement of the individual assets and liabilities held within those entities, rather than from a separate valuation of the subsidiary itself. The principal categories of assets and liabilities held within investment entity subsidiaries include:

- Fair value of cash flows from intangible assets;
- Equity and debt investments;
- Limited and limited liability partnership interests;
- Amounts receivable on the sale of equity and debt investments;
- Cash, deposits and other working capital balances.

Each category of asset and liability is measured in accordance with the Group's accounting policies set out in earlier notes, including notes 13 and 14, applying valuation techniques that maximise the use of observable market inputs and are consistent with market participant assumptions.

Fair value principles and valuation techniques

Financial assets held within investment entity subsidiaries that are designated at fair value through profit or loss are initially recognised at fair value and subsequently re measured at fair value at each reporting date, with movements recognised in the consolidated statement of comprehensive income.

- Equity and debt investments are valued in line with the International Private Equity and Venture Capital Valuation (IPEV) Guidelines. Valuation techniques include quoted bid prices for investments traded on active markets, recent arm's length funding transactions, probability weighted expected return models (PWERM), DCF models, revenue multiples and scenario based approaches, depending on the facts and circumstances of each investment.
- Fair value of cash flows from intangible assets including licence related assets, are valued using DCF methodologies that estimate future cash flows arising from contractual rights such as milestone receipts and royalties. These valuations incorporate assumptions regarding development timelines, probabilities of success, forecast sales, royalty rates and appropriate discount rates, consistent with the approach applied to comparable equity investments.
- Limited and limited liability partnership interests are valued based on the Group's share of the net asset value reported by the fund manager. Where necessary, adjustments are made to manager reported NAVs to ensure consistency with the Group's valuation policies for underlying equity and debt investments.
- Amounts receivable on the sale of equity and debt investments, including deferred and contingent consideration, are measured at fair value using DCF or probability weighted valuation techniques that reflect the expected timing, amount and likelihood of future receipts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

28. Fair value measurement within investment entity subsidiaries continued

Fair value of liabilities

Liabilities held within investment entity subsidiaries are also measured at fair value where required under IFRS.

- **Revenue share liabilities** are recognised in respect of contractual obligations to share proceeds arising from the commercialisation or disposal of certain assets. These liabilities are measured at fair value by reference to the fair value of the related underlying assets, applying appropriate discounting and probability weighting where future cash flows are contingent.
- **Carried interest plan liabilities** are measured based on the fair value of the underlying investment portfolios to which the carried interest arrangements relate, consistent with the approach applied to the Group's portfolio valuations. Changes in the fair value of these liabilities are recognised in profit or loss.

Fair value hierarchy and significant judgements

Assets and liabilities measured at fair value within investment entity subsidiaries are classified within the IFRS 13 fair value hierarchy based on the significance of the inputs used in the valuation techniques. The majority of these assets and liabilities are classified as Level 3, reflecting the use of unobservable inputs.

The valuation of investment entity subsidiaries involves significant judgement, particularly in relation to:

- the selection of appropriate valuation methodologies;
- the estimation of future cash flows and probabilities of success;
- the determination of discount rates and market multiples; and
- the assessment of whether manager reported valuations for limited partnership interests are appropriate.

These judgements are consistent with those applied elsewhere in the Group's valuation of equity and debt investments and are reviewed at each reporting date. Given the inherent uncertainty associated with early stage and growth stage investments, actual outcomes may differ materially from the estimates used in determining fair value.

This note presents the position of those subsidiaries that meet the definition of investment entity subsidiaries and are therefore held at fair value through profit or loss. It provides a detailed analysis of the principal fair value components, including the valuation methodologies applied, the key unobservable inputs used, and the sensitivity of carrying values to changes in those inputs. These disclosures are intended to give users an understanding of the composition, valuation basis, and underlying assumptions of the Group's most significant assets and liabilities measured at fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

28. Fair value measurement within investment entity subsidiaries continued

Below is the summary of assets and liabilities of the subsidiaries that have been recognised at fair value within the Group's consolidated financial statements.

Investments in investment entity subsidiaries	Note	2025 £m
Fair value of cash flows from intangible assets	28A	**99.1**
Debt & equity investments	28B	**709.3**
Limited liability partnership interests	28C	**40.7**
Receivable on sale of debt and equity investments	28D	**54.4**
Portfolio investments held within investment entity subsidiaries[1]	Note 29	**903.5**
Other non-current assets	28E	**19.4**
Cash and deposits		**194.5**
Other net current liabilities		**(6.4)**
Carried interest plan liability	28F	**(16.0)**
Other non-current liabilities		**(21.2)**
Equity investments in investment entity subsidiaries		**1,073.8**

1 Of the £903.5 portfolio investment held within entity subsidiaries, £133.2m represent Level 1 assets and the balance of £770.3m represents Level 3 assets.

The principal items requiring the use of judgment in determining the value of the asset or liability within the Group's investment entity subsidiaries are as follows:

The Group engages third-party valuation specialists to provide valuation support where required; during the period we commissioned third-party valuations on 2 (Pfizer Obesity Royalty Interest, Hysata) out of the top 10 holdings (2024: 4).

A: Fair value of cash flows from Intangible assets

Under the investment entity exemption within IFRS 10, the Group is required to fair value its investment entity subsidiaries, including fair value of cash flows from intangible assets relating to the Group's license arrangements.

The Group's licences originate from historical technology transfer arrangements inherited through the acquisition of Touchstone Innovations in 2017. Under the Technology Pipeline Agreement ("TPA") dated 16 February 2005 between Touchstone Innovations plc and Imperial College, Touchstone was entitled to receive equity allocations in spinout companies and to act as licensor of Imperial College intellectual property to those spinouts and third parties.

These arrangements resulted in Touchstone, and subsequently the Group, owning IP patents and enforceable rights to licensing income. Under the terms of this TPA, the Group is subject to various "revenue sharing" arrangements whereby income generated from this Intellectual Property is shared with Imperial College (and other third parties where they have provided funding to research which is subsequently commercialised). The amounts in this note are shown net of such revenue share obligations, reflecting the Group's share of income. These are considered to be Level 3 assets.

The Group engaged a third-party valuation specialist to provide valuation support for the licence agreement related to the Pfizer Obesity royalty interest.

Company name	Primary valuation basis	Value of Group holding at 31 Dec 2025 net of revenue share liability £m
Pfizer Obesity Programmes	DCF	**91.7**
Carrick Therapeutics	DCF	**6.0**
Other licenses	DCF	**1.4**
Total		**99.1**

Valuation inputs and sensitivities

The key valuation inputs and sensitivities in respect of fair value of cash flows from intangible assets relate to the license with Pfizer in respect of their anti-obesity programmes acquired from Zihipp/Metsera. Under this exclusive IP licence agreement between IP2IPO Innovations Limited and Zihipp / Metsera, the Group is entitled to licence milestone payments and tiered licence royalties on net sales of the licensed products.

The valuation of both the licence and equity is based on a DCF model assessing the future cash flows from the relevant Pfizer obesity drug programmes for which IP Group has financial exposure, PF'3944, PF'3945, PF'4696 and PF'6795. The key inputs in the DCF model include:

- the drug development milestone dates, based on the anticipated development timeline for the four assets
- probability of Ph1, Ph2 and Ph3 clinical trial success, based on comparable clinical trial success rates for metabolic assets (source: Clinical Development Success Rates 2011-2020 by Biotechnology Innovation Organisations) and forecasts from equity analyst research published by Goldman Sachs, Cantor Fizgerald, Bank of America and Guggenheim
- projected sales forecasts, which have been derived using the mean of equity analyst research[2] sales projections
- royalty rates receivable of drug sales, based on the low single-digit, tiered percentages defined in the licence agreement
- discount rate, based on the WACC of a pharmaceutical partner consistent with Pfizer taking the trial forward
- UK corporation tax on milestone and licence receipts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

28. Fair value measurement within investment entity subsidiaries continued

The valuation is sensitive to the inputs noted above. In the Group's view, the valuation would most likely be affected by a combination of changes in these inputs. However, to provide context on the sensitivity of each key input, as required by IAS 1, the table below sets out the impact on the valuation of the licence net of the revenue share liability, of changes in each critical input in isolation

Input	Assumption used	Sensitivity	Impact on IPG Licence Value £m	Impact % of NAV[1]
Clinical trial success rates	PF'3944i: 53%, PF'3944 & PF'3945:25%, PF'3944o: 9.6%	+/- 5%	26.2 / (21.1)	2.7% / (2.2%)
Discount rate	11.5%	-1.25%/+1.0%	10.9 / (7.7)	1.1% / (0.8%)

1 Being impact on IPG equity holding as a proportion of the Group's Net Asset Value

Under the DCF methodology, in the event that one of the compounds fails to progress to market as a result of trial failures or failure to receive regulatory approval, the model assumes a zero value outcome for that product.

B: Equity and debt investments

See note 14 for the accounting policy relating to equity and debt investments, and for information prior to the adoption of the investment entity accounting basis on 16th December 2025. Amounts shown within Note 14 being transferred to investment entity subsidiaries of £715.7m includes £6.4m in respect of investments whose proceeds will, upon sale, be paid to Imperial College London and hence have been excluded from equity and debt amounts disclosed within this note.

The following table lists information on the Group's most significant debt and equity investments. These comprise the largest portfolio companies within the Group's top ten investments by value, excluding investments that are not classified as equity or debt. Together, this represents 39% of the total portfolio value (2024: 58%). 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 2 of the Group's equity and debt holdings (2024: 4).

Company name	Primary valuation basis	Fair value of Group holding at 31 Dec 2025 £m	Fair value of Group holding at 31 Dec 2024 £m
Oxford Nanopore Technologies plc	Quoted bid price	**102.0**	**106.6**
Istesso Limited[1]	DCF	**89.6**	**91.9**
Hysata Pty Ltd[2]	Funding transaction > 12 months, PWERM	**76.2**	**76.8**
Mission Therapeutics Limited	Funding transaction > 12 months, PWERM	**26.2**	**22.5**
Nexeon Limited	Funding transaction < 12 months, PWERM	**19.8**	**18.8**
Oxa Autonomy Limited	Funding transaction < 12 months, PWERM	**19.4**	**42.7**
CoreWeave, Inc.[3]	Sale process	**18.5**	**0.0**
Total		**351.7**	**359.3**

1 £3.4m repayable loan held by IP Group plc, not within the investment entity subsidiary.

2 Third-party valuation specialists used for 31 December 2025 valuation. In these instances, the valuation basis is management's assessment of the primary valuation input used by the third-party valuation specialist.

3 Convertible loan note issued by CoreWeave, Inc. as consideration on the disposal of Monolith AI Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

28. Fair value measurement within investment entity subsidiaries continued

	Level 1		Level 3	
Company name	Equity investments in quoted spin-out companies net of revenue share liability £m	Unquoted equity investments in spin-out companies net of revenue share liability £m	Debt investments in unquoted spin-out companies net of revenue share liability £m	Total £m
At 31 December 2025	**133.2**	**504.0**	**72.1**	**709.3**
At 31 December 2024	133.1	580.7	51.6	765.4

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

28. Fair value measurement within investment entity subsidiaries continued

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 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 net of revenue share liability at 31 Dec 2025 £m	Variable inputs	Variable input sensitivity	Positive impact		Negative impact		Fair value of investments
	2025 £m		%	£m	% of NAV	£m	% of NAV	2024 £m
Quoted	**133.2**	• n/a	n/a	n/a	n/a	n/a	n/a	133.1
Funding transaction <12 months	**178.1**	• Inputs used in PWERM models to quantify the impact of funding transactions on subordinate securities including exit values and timelines.	+/-5	8.9	0.9	(8.9)	(0.9)	217.8
Funding transaction >12 months	**159.1**		+/-10	15.9	1.6	(15.9)	(1.6)	54.9
Other: Future market/ commercial events	**75.3**	• Estimated impact of future event • Execution risk discount applied to future event where positive) • Extent to which future event is indicative of facts and circumstances in existence at the balance sheet date	+/10	7.5	0.8	(7.5)	(0.8)	60.7
Other: Adjusted financing price based on past performance – Upwards*	**-**	• Company-specific milestone analysis resulting in a positive calibration adjustment versus the previous funding transaction price	n/a	n/a	n/a	n/a	n/a	35.9
Other: Adjusted financing price based on past performance – Downwards*	**58.0**	• Company-specific milestone analysis resulting in a negative calibration adjustment versus the previous funding transaction price	+/-20	11.6	1.2	(11.6)	(1.2)	152.7
Other: Revenue multiple*	**13.4**	• Estimate of future recurring revenues • Selection of comparable companies • Discount/premium to multiple	+/-10	1.3	0.1	(1.3)	(0.1)	13.1
Other: DCF*	**92.2**	• Clinical trial success rates • Estimate of likelihood, value and structure of a potential pharmaceutical partnership • Discount rates	+/-20	18.4	1.9	(18.4)	(1.9)	97.2
Total	**709.3**			**63.7**	**6.5**	**(63.7)**	**(6.5)**	**765.4**

* Due to the large number of inputs used in the valuation of these assets, individual unobservable inputs are below a size threshold that would warrant separate disclosure under IFRS 13 paragraph 93(d). The sensitivities presented in the table above do not cover all valuation inputs for each individual investment. The portfolio primarily comprises early-stage assets, for which valuations are subject to a high degree of estimation uncertainty and a wide range of reasonably possible alternative assumptions. To provide meaningful disclosure, investments have therefore been grouped into relevant categories with common characteristics, and sensitivities have been assessed at a portfolio level. As a result of the diversification across a large number of inputs and investments, no single investment within these groups would, in isolation, have a significant impact on the overall fair value, and a range of reasonably possible alternative assumptions does not significantly impact the fair value of the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

28. Fair value measurement within investment entity subsidiaries continued

portfolio as a whole. Accordingly, no additional valuation sensitivity is required at portfolio level under IFRS 13 paragraph 93(h)(ii). Specific valuation sensitivities have been disclosed separately for the larger investments where individual sensitivities are considered more relevant and informative, as set out below.

Within the 'Other: DCF' category above is Istesso Limited, in which we value IP Group's holding at £89.6m.

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 focused 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
- 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 holding £m	Impact % of NAV[1]
Phase 2b success rate	63%	+/-10%	£14m	1.5%
Selected pharma partner deal size	Bottom quartile	Median	£87m	8.9%
Discount Rate	12.75%	+0.25/-1.75%	(£1.8m)/£13m	(0.2%)/1.3%

[1] Being impact on IPG 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.

The Company's interests in subsidiary undertakings are listed in note 11 to the Company's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

28. Fair value measurement within investment entity subsidiaries continued

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 2025	
	Investments £m	Sensitivity +/- 1% £m
US dollar	**87.7**	**0.9**
Australian dollar	**109.3**	**1.1**
Euro	**14.2**	**0.1**
Swedish Krona	**1.0**	**0.0**
Total	**212.2**	**2.1**

	At 31 December 2024	
	Investments £m	Sensitivity +/- 1% £m
US dollar	96.8	1.0
Australian dollar	94.0	0.9
Euro	12.9	0.1
Swedish Krona	5.7	0.1
Total	209.4	2.1

C: Limited partnership interests

See note 15 for the accounting policy relating to limited and limited liability partnership interests, and for information prior to the adoption of the investment entity accounting basis on 16th December 2025.

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	2025 £m
IPG Cayman Fund L.P. (Longview Innovation)	USD	Unaudited	**22.3**
UCL Technology Fund L.P.	GBP	Unaudited	**18.4**
Total			**40.7**

We reviewed the underlying valuation methodologies adopted by our Fund managers for all Fund investments of material value. Following our review of valuation methodologies, the Q3 North America University Innovation L.P. NAV statement was adjusted downwards. Such adjustments were based on an assessment of the 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 used in respect of the Group's equity and debt investments. In line with other Level 3 assets, a +/-5% sensitivity has been applied to the valuation of the Group's limited partnership interests, reflecting the relative level of judgment involved in applying the valuation approach.

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 an 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 14. 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.

28. Fair value measurement within investment entity subsidiaries continued

D: Receivable on sale of debt and equity investments

See note 16 for the accounting policy relating to amount receivable on sale of equity and debt investments, and for information prior to the adoption of the investment entity accounting basis on 16th December 2025.

The following table summarises the primary valuation basis used to value the deferred and contingent consideration:

Investment	Primary Valuation Basis	Value net of revenue share liability at 31 Dec 2025 £m
Pfizer Obesity Royalty Interest	Probability-weighted DCF model reflecting potential milestone payments	**36.4**
Featurespace	Discounted sale amount	**10.1**
Enterprise Therapeutics	Probability-weighted DCF model reflecting potential milestone payments	**3.5**
Oxular	Discounted sale amount	**2.0**
Monolith AI	Discounted sale amount	**1.9**
Kynos	Discounted sale amount	**0.5**
Total		**54.4**

Deferred and contingent consideration is measured at fair value and classified within Level 3 of the fair value hierarchy, reflecting the use of significant unobservable inputs.

Inputs and valuation sensitivities

As a former 31% shareholder in Zihipp Limited, which was subsequently acquired by Metsera, IP Group is entitled to 31% of all consideration paid or payable to selling shareholders under the Metsera Share Purchase Agreement, including contingent milestone payments linked to specified development, regulatory and commercial events, together with royalties based on Net Sales and Net Receipts. These obligations are not impacted by the acquisition of Metsera by Pfizer in November 2025.

Key valuation inputs used in the DCF valuation of the Group's deferred equity consideration in respect of Pfizer's obesity programmes are the same as disclosed within fair value of cash flows from intangible assets section (A) above. Valuation sensitivities are as follows:

Input	Assumption used	Sensitivity	Impact on IPG Deferred Consideration £m	Impact % of NAV[1]
Clinical trial success rates	PF'3944i: 53%, PF'3944 & PF'3945:25%, PF'3944o: 9.6%	+/- 5%	9.8 / (7.8)	1.0% / (0.8%)
Discount rate	11.5%	-1.25%/+1.0%	3.7 / (2.6)	0.4% / (0.3%)

E: Other non-current assets

	2025 £m
Fair value of tax losses	**10.3**
Other assets	**9.1**
Total	**19.4**

Tax losses have been reflected in the valuation of IP2IPO Innovations Limited. The valuation adopts a market participant perspective and is based on post tax cash flows; accordingly, the economic benefit of available tax losses within that subsidiary has been incorporated through their utilisation against forecast taxable profits arising from licence and royalty income.

Separately, a deferred tax asset has been recognised in respect of losses held in other investment entity subsidiaries where the recognition criteria are met.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

28. Fair value measurement within investment entity subsidiaries continued

F: Non-current liabilities

Carried interest plan liability (see Note 23)

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 itself is a significant accounting estimate). The actual amounts of carried interest paid are determined by cash realisations of individual vintages, and may change in the next financial year as portfolio valuations evolve.

	2025 £m
At 31 December 2025	**16.0**

Loans from Limited partners of controlled funds (see Note 20)

The assets (primarily equity investments) of a co–investment fund, IP Venture Fund II LP which is managed by the Group, are included in the Investment Entity balance sheet shown above. Loans from third parties of controlled 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.

	2025 £m
At 31 December 2025	**18.3**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

29. 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.

					Calculation
APM	**Reference for reconciliation**	**Definition and purpose**		**2025 £m**	**2024 £m**
NAV per share	Primary statements note 21	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	**£975.1m**	£952.5m
			Shares in issue	**883,427,642**	975,286,268
				110.4p	97.7p
Return on NAV	Primary statements note 5	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	**67.2**	(210.0)
			Excluding:		
			Share-based payment charge	**2.4**	1.9
			Return on NAV	**69.6**	(208.1)
Net portfolio gains/ (losses)	note 14, 15, 16	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 below), 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	**(70.1)**	(246.1)
			Gain on disposal of equity investments	**37.5**	63.7
			Change in fair value of LP interests2	**(12.8)**	(12.6)
			Gain on deconsolidation of subsidiaries	**117.8**	–
			excluding deferred tax asset recognition	**(8.4)**	–
			Net portfolio gains/ (losses)	**64.0**	(195.0)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

29. Alternative performance measures ("APM") continued

APM	Reference for reconciliation	Definition and purpose		Calculation 2025 £m	Calculation 2024 £m
Total portfolio[2]	Consolidated statement of financial position, note 14, 15, 28	Total portfolio is defined as the total of equity investments, debt investments, investments in LPs, amounts receivable on sale of equity and debt investments, and portfolio investments held within investment entity subsidiaries (including the fair value of cash flows from intangible assets). 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	**–**	713.8
			Debt investments	**3.4**	51.6
			LP interests	**1.2**	58.1
			Assets held for sale	**–**	13.9
			Receivable on sale of debt and equity investments (long term)	**–**	18.5
			Receivable on sale of debt and equity investments (short term)	**–**	1.6
			Revenue Share Liability	**–**	(5.4)
			Portfolio investments held within investment entity subsidiaries	**903.5**	–
			Total portfolio	**908.1**	852.1
Portfolio investment	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	**(68.0)**	(60.8)
			Investment in limited and limited liability partnerships	**(2.5)**	(2.2)
			Portfolio investment	**(70.5)**	(63.0)
Cash proceeds	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	**52.5**	182.2
			Distributions from limited partnership funds	**5.6**	1.2
			Proceeds from assets held for sale	**10.0**	-
			Cash proceeds	**68.1**	183.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

29. Alternative performance measures ("APM") continued

APM	Reference for reconciliation	Definition and purpose		Calculation 2025 £m	Calculation 2024 £m
Net overheads	Financial review, note 9	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	**7.4**	5.5
			Other administrative expenses	**(23.4)**	(25.3)
			Excluding:		
			Non-portfolio foreign exchange movements	**0.1**	(2.7)
			Restructuring costs – labour	**–**	2.4
			Restructuring costs – professional	**–**	0.3
			Net overheads	**(15.9)**	(19.8)
Gross cash and deposits[3]	Primary statements note 28	Cash and deposits is defined as cash and cash equivalents plus deposits.	Cash and cash equivalents	**16.5**	115.6
			Deposit	**–**	170.0
			Deposits and Cash and cash equivalents held in investment entity subsidiaries	**194.5**	–
			Gross cash and deposits	**211.0**	285.6
Simple return on capital (%)	Note 29	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)	**64.0**	(195.0)
			Opening total portfolio value	**852.1**	1,167.7
			Simple return on capital (%)	**8%**	(17%)
% Return on NAV (%)	Note 29 (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	**69.6**	(208.1)
			Opening Net Asset Value	**952.5**	1,190.3
			Return on NAV (%)	**7%**	(17%)

1 Gains or losses from changes in investment entity status are reported within Net portfolio gains/(losses).

2 Total portfolio now includes investments within investment entity subsidiaries and deferred consideration and revenue share amounts.

3 Cash and cash equivalents held in fair value investments in subsidiaries. are now included within Gross cash and deposits for greater transparency of the Group's available funds.

COMPANY BALANCE SHEET.

AS AT 31 DECEMBER 2025

	Note	2025 £m	2024 £m
ASSETS			
Non-current assets			
Investment in subsidiary undertakings	2	**1,083.4**	331.5
Equity and debt investments	3	**3.4**	3.5
Limited liability partnership interests		**1.2**	2.3
Loans to subsidiary undertakings: long term		**–**	605.0
Total non-current assets		**1,088.0**	942.3
Current assets			
Loans to subsidiary undertakings: short term	6	**–**	0.9
Trade receivables		**2.3**	1.9
Total current assets		**2.3**	2.8
Total assets		**1,090.3**	945.1
EQUITY AND LIABILITIES			
Capital and reserves			
Called-up share capital		**17.8**	19.5
Share premium account		**102.5**	102.5
Capital redemption reserve		**3.5**	1.8
Retained earnings		**845.7**	700.7
Total equity attributable to equity holders		**969.5**	824.5
Current liabilities			
Trade and other payables		**1.1**	0.9
Borrowings		**119.7**	–
Total current liabilities		**120.8**	0.9
Non-current liabilities			
Borrowings	6	**–**	119.7
Total non-current liabilities		**–**	119.7
Total liabilities		**120.8**	120.6
Total equity and liabilities		**1,090.3**	945.1

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 gain for the financial year was £189.3m (2024: loss of £5.9m).

The accompanying notes form an integral part of the financial statements. The financial statements on pages 155 to 168 were approved by the Board of Directors and authorised for issue on 16 March 2026 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 2025

	Share capital £m	Share premium[i] £m	Capital redemption reserve[iii] £m	Retained earnings[ii] £m	Total £m
At 1 January 2024	21.3	102.8	–	734.0	858.1
Total comprehensive income for the period					
Loss for the year	–	–	–	(5.9)	(5.9)
Total comprehensive income for the period	–	–	–	(5.9)	(5.9)
Transactions with owners, recorded directly in equity					
Other movements	–	(0.3)	–	0.3	–
Purchase of treasury shares[iii]	(1.8)	–	1.8	(29.6)	(29.6)
Equity-settled share-based payments[iv]	–	–	–	1.9	1.9
Total contributions by and distributions to owners	(1.8)	(0.3)	1.8	(27.4)	(27.7)
At 1 January 2025	19.5	102.5	1.8	700.7	824.5
Total comprehensive income for the period					
Profit for the year	–	–	–	189.3	189.3
Total comprehensive income for the period	–	–	–	189.3	189.3
Transactions with owners, recorded directly in equity					
Purchase of own shares[v]	(1.7)	–	1.7	(45.7)	(45.7)
Equity-settled share-based payments[iv]	–	–	–	1.4	1.4
Total contributions by and distributions to owners	(1.7)	–	1.7	(44.3)	(44.3)
At 31 December 2025	**17.8**	**102.5**	**3.5**	**845.7**	**969.5**

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, with an aggregate value of £0.9m 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 During 2025, the Company purchased and cancelled 91,858,626 ordinary shares with an aggregate nominal value of £1.7m. At 31 December 2025 the company had nil treasury shares (FY24: nil). Retained profits have been reduced by £45.7m (2024: £29.6m), being the net consideration paid for the purchase of shares, including expenses directly relating to the share purchase

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 held at cost

Investments in the subsidiaries: Top Technology Ventures Limited, IP Venture Fund II (GP) LLP, IP Ventures (Scotland) Limited, IP2IPO Portfolio (GP) Limited, and Parkwalk Advisors Limited 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.

Investments in investment entity subsidiaries

On 16 December 2025 IP Group Plc concluded that it met the definition of investment entity as defined in IFRS 10 Consolidated Financial Statements; for further details see the Group's note 3. An investment entity shall measure an investment in a subsidiary at fair value through profit or loss in accordance with IFRS 9.

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.

Further details can be obtained in the Groups accounting policies.

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.

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 22 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

	2025 £m	2024 £m
At 1 January	**331.5**	330.4
Investment in respect of share-based payments	**2.4**	1.9
Impairment of subsidiary undertakings in the year	**(0.1)**	(0.8)
Change in investment entity status[1]	**749.6**	–
At 31 December	**1,083.4**	331.5

[1] The balance of £749.6m includes £551.0m Loans to subsidiary undertakings (see Note 3 for a description of the change in Investment Entity designation in the year).

	2025 £m	2024 £m
Investments in investment entity subsidiaries	**1,075.3**	–
Investments in consolidated subsidiaries	**8.1**	331.5
At 31 December	**1,083.4**	331.5

Details of the Company's subsidiary undertakings as at 31 December 2025 are detailed in note 8 to the Company financial statements.

3. Loans to subsidiary undertakings

	2025 £m	2024 £m
At 1 January	**605.7**	641.8
Repayment of loans by subsidiary undertakings during the year	**(48.5)**	(36.1)
Impairment of intercompany loans	**(6.2)**	–
Change in investment entity status	**(551.0)**	–
At 31 December	**–**	605.7

	2025 £m	2024 £m
Current	**–**	0.9
Non-current	**–**	605.0
At 31 December	**–**	605.9

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 (2024: under £0.1m).

NOTES TO THE COMPANY FINANCIAL STATEMENTS.

4. 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 profit for the year was £189.3m (2024: loss of £5.9m). The impact of the change in entity status was a gain of £186.4m.

Details of the auditor's remuneration are disclosed in note 7 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.

Following the change in investment entity status on 16 December 2025, the Group ceased to consolidate its investment entity subsidiaries and now recognises these subsidiaries at their fair value as at 31 December 2025.

5. 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 10 of the Group accounts.

The Company had no employees during 2025 or 2024.

6. Dividends and share buyback

There were no dividends paid in 2025 (2024: no dividends). During 2025, the Company purchased and cancelled 91,858,626 ordinary shares with an aggregate nominal value of £1.7m. At 31 December 2025 the Company had nil treasury shares (FY24: nil). Retained profits have been reduced by £45.7m (2024: £29.6m), being the net consideration paid for the purchase of shares, including expenses directly relating to the share purchase. On 18 November 2025 the Group completed a £75m buyback programme. The buyback was originally announced on 18 December 2023 with an initial £20m, subsequently increased by £10m on 7 October 2024, £25m on 9 January 2025 and £20m on 26 June 2025. Since commencing its buyback programme, the Group has purchased 157,968,634 shares at an average price of 47.5 pence per share for an aggregate consideration of £75m.

7. Borrowings

	2025 £m	2024 £m
Current	**119.7**	–
Non-current	**–**	119.7
At 31 December 2025	**119.7**	119.7

The terms of the Standard Life loan notes are summarised in note 20 of the consolidated financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS.

8. Details of subsidiary undertakings

Name of subsidiary undertakings	Proportion of ownership interest %[i]	Proportion of voting power held %[i]	Proportion of nominal value held %	Held by parent/ Group	Investment entity consolidation treatment
IP2IPO Limited	100.0	100.0	100.0	Direct	Fair value
IP2IPO Carry Partner Limited	100.0	100.0	100.0	Indirect	Fair value
IP2IPO Americas Limited	100.0	100.0	100.0	Indirect	Fair value
Top Technology Ventures Limited[iii]	100.0	100.0	100.0	Direct	Consolidated
Fusion IP Sheffield Limited[ii]	100.0	100.0	100.0	Indirect	Fair value
Fusion IP Cardiff Limited[ii]	100.0	100.0	100.0	Indirect	Fair value
IP Venture Fund II (GP) LLP[iii]	100.0	100.0	100.0	Indirect	Consolidated
IP Ventures (Scotland) Limited[iii]	100.0	100.0	100.0	Indirect	Consolidated
IP2IPO Portfolio (GP) Limited[iii]	100.0	100.0	100.0	Indirect	Consolidated
IP2IPO Portfolio LP	100.0	100.0	100.0	Indirect	Fair value
IP Capital Limited[ii]	100.0	100.0	100.0	Indirect	Fair value
IP2IPO Investments Limited (previously known as IP2IPO Asia-Pacific Limited)	100.0	100.0	100.0	Direct	Fair value
IP Group Greater China Limited	100.0	100.0	100.0	Indirect	Fair value
IP Group Greater China Services Limited	100.0	100.0	100.0	Indirect	Fair value
IP2IPO ANZ Carry Limited[ii]	100.0	100.0	100.0	Indirect	Fair value
Kiko Ventures Limited[ii]	100.0	100.0	100.0	Indirect	Fair value
IP2IPO Australia Pty Limited	100.0	100.0	100.0	Indirect	Fair value
IP2IPO Australia HP Pty Limited	100.0	100.0	100.0	Indirect	Fair value
IP2IPO Australia Management Pty Limited	100.0	100.0	100.0	Indirect	Fair value
IP2IPO Australia GP Pty Limited	100.0	100.0	100.0	Indirect	Fair value
IP2IPO Australia CT Pty Limited	100.0	100.0	100.0	Indirect	Fair value
IP2IPO Australia VCMP LP	100.0	100.0	100.0	Indirect	Fair value
IP2IPO Australia VCLP No 1 LP	100.0	100.0	100.0	Indirect	Fair value
IP2IPO Australia TS Pty Ltd	100.0	100.0	100.0	Indirect	Fair value
Parkwalk Advisors Limited	100.0	100.0	100.0	Direct	Consolidated
Touchstone Innovations Limited	100.0	100.0	100.0	Indirect	Fair value
IP2IPO Innovations Limited	100.0	100.0	100.0	Indirect	Fair value
Touchstone Innovations Businesses LLP	100.0	100.0	100.0	Indirect	Fair value
IPG USA (LP) Limited	100.0	100.0	100.0	Indirect	Fair value
IPG USA SCO LP	100.0	100.0	100.0	Indirect	Fair value

NOTES TO THE COMPANY FINANCIAL STATEMENTS.

8. Details of subsidiary undertakings continued

Name of subsidiary undertakings	Proportion of ownership interest %[i]	Proportion of voting power held %[i]	Proportion of nominal value held %	Held by parent/ Group	Investment entity consolidation treatment
IP2IPO Nominees Limited[ii]	100.0	100.0	100.0	Direct	Fair value
IP2IPO Services Limited[ii]	100.0	100.0	100.0	Direct	Fair value
Asterion Limited	66.8	66.8	66.5	Indirect	Fair value
PH Therapeutics Limited[ii]	60.0	60.0	60.0	Indirect	Fair value
IP Venture Fund II LP[iv]	33.3	33.3	33.3	Indirect	Fair value

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 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, N1C 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.

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 Ltd: Level 16, 379 Collins Street, Melbourne, VIC 3000, Australia.

IP2IPO Australia Management Pty Ltd: Level 16, 379 Collins Street, Melbourne, VIC 3000, Australia.

IP2IPO Australia GP Pty Ltd: Level 16, 379 Collins Street, Melbourne, VIC 3000, Australia.

IP2IPO Australia CT Pty Ltd: 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.

NOTES TO THE COMPANY FINANCIAL STATEMENTS.

9. Details of significant holdings and associated undertakings

Name of undertaking	Registered address	Proportion of nominal value held %(i)	Held by parent/ Group(ii)
Accelercomm Limited	5 Benham Road Benham Road, Chilworth, Southampton, England, SO16 7QJ	23.43%	Group
Ordinary Shares (Accelercomm Limited)		15.72%	Group
A Ordinary Shares (Accelercomm Limited)		30.87%	Group
B Preference Shares (Accelercomm Limited)		24.45%	Group
C Preference Shares (Accelercomm Limited)		27.27%	Group
Additive Assurance Pty Ltd	382 Huntingdale Rd, Oakleigh South VIC 3167, Australia	39.17%	Group
Seed Preferred Shares (Additive Assurance Pty Ltd)		32.46%	Group
Ordinary Shares (Additive Assurance)		43.21%	
Alesi Surgical Limited	Cardiff Medicentre, Heath Park, Cardiff, CF14 4UJ	33.91%	Group
B Preference Shares (Alesi Surgical Limited)		28.06%	Group
Preferred Ordinary Shares (Alesi Surgical Limited)		40.29%	Group
Ordinary Shares (Alesi Surgical Limited)		56.98%	Group
A Ordinary Shares (Alesi Surgical Limited)		100.00%	Group
C Preference Shares (Alesi Surgical Limited)		42.01%	Group
D Preference Shares (Alesi Surgical Limited)		40.13%	Group
Alimetry Limited	70 Symonds Street, Grafton, Auckland 1010, New Zealand	21.46%	Group
A Preference Shares (Alimetry Limited)		20.21%	Group
Ordinary Shares (Alimetry Limited)		22.85%	
AMSL Innovations Pty Ltd	42 Stafford St Stanmore, NEW SOUTH WALES, 2048 Australia	34.00%	Group
Ordinary shares (AMSL Innovations Pty Ltd)		33.01%	
Series B Shares (AMSL Innovations Pty Ltd)		35.65%	Group
Ankere Therapeutics Pty Ltd	Level 9, 31 Queen Street Melbourne VIC 3000	32.43%	Group
Seed Ordinary Shares (Ankere Therapeutics Pty Ltd)		54.55%	Group
Aqdot Limited	93 Lawrence Weaver Road Cambridge CB3 0LE	28.13%	Group
Preference Shares (Aqdot Limited)		37.40%	Group
Asterion Limited	Windsor House, Cornwall Road, Harrogate, England, HG1 2PW	66.80%	Group
Ordinary Shares (Asterion Limited)		66.80%	Group
Atazoa Limited	Skempton Building, Imperial College Room 205, Skempton Building, Imperial College, London, London, SW7 2AZ	24.94%	Group
Ordinary Shares (Atazoa Limited)		49.85%	Group

NOTES TO THE COMPANY FINANCIAL STATEMENTS.

9. Details of significant holdings and associated undertakings continued

Name of undertaking	Registered address	Proportion of nominal value held %(i)	Held by parent/ Group(ii)
AudioScenic Limited	Suite A, Epsilon House Enterprise Road, Southampton Science Park, Southampton, England, SO16 7NS	38.35%	Group
Ordinary Shares (AudioScenic Limited)		38.45%	Group
A Ordinary Shares (AudioScenic Limited)		33.14%	Group
B Ordinary Shares (AudioScenic Limited)		30.44%	Group
C Ordinary Shares (AudioScenic Limited)		50.86%	Group
Autifony Therapeutics Limited	Stevenage Bioscience Catalyst, Gunnels Wood Road, Stevenage, Hertfordshire, England, SG1 2FX	0.49%	Group
A Preference Shares (Autifony Therapeutics Limited)		31.25%	Group
Ordinary Shares (Autifony Therapeutics Limited)		1.46%	Group
Azuri Technologies Limited	St. John's Innovation Centre, Cowley Road, Cambridge,	42.42%	Group
Ordinary Shares (Azuri Technologies Limited)		37.45%	Group
A Preference Shares (Azuri Technologies Limited)		50.19%	Group
Banksia Minerals Processing Pty Ltd	10 Central Avenue, Graceville QLD 4075	25.00%	
Seed Preference Shares (Banksia Minerals Processing Pty Ltd)		87.50%	
Barocal Limited	140b Newmarket Road, Cambridge, England, CB5 8HE	32.01%	Group
Ordinary Shares (Barocal Limited)		32.01%	Group
Bramble Energy Limited	2nd Floor 110 Cannon Street London EC4N 6EU	31.60%	Group
Ordinary Shares (Bramble Energy Limited)		1.53%	Group
A Preferred Shares – Issue Price £189.62 Ords (Bramble Energ		100.00%	Group
A Preferred Shares – Issue Price £119.58 (Bramble Energy Lim		100.00%	Group
A Preferred Shares – Issue Price £327.52 CLN (Bramble Energy		100.00%	Group
A Preferred Shares – Issue Price £409.43 (Bramble Energy Lim		100.00%	Group
Canopus Networks Pty Ltd	98 Tambourine Bay Rd, Riverview, New South Wales 2066, AU	37.99%	
Ordinary Shares (Canopus Networks Pty Ltd)		37.99%	
Cardiovascular Imaging Solutions Limited	Suite 19 Maple Court, Grove Park, Maidenhead, Berkshire, England, SL6 3LW	24.90%	Group
Ordinary Shares (Cardiovascular Imaging Solutions Limited)		24.90%	Group
CyAmast Pty Ltd	South Wharf, VIC 3006, Australia	34.11%	
Ordinary Share (CyAmast Pty Ltd)		34.11%	

NOTES TO THE COMPANY FINANCIAL STATEMENTS.

9. Details of significant holdings and associated undertakings continued

Name of undertaking	Registered address	Proportion of nominal value held %(i)	Held by parent/ Group(ii)
Defenition Limited	Windsor House, Cornwall Road, Harrogate, England, HG1 2PW	48.49%	Group
Ordinary Shares (Defenition Limited)		48.49%	Group
Diffblue Limited	5 New Street Square London EC4A 3TW	25.49%	Group
A Preference Shares (Diffblue Limited)		52.63%	Group
Non-Voting Preference Shares (Diffblue Limited)		100.00%	Group
Ordinary Shares (Diffblue Limited)		0.00%	Group
A Shares (Diffblue Limited)		18.49%	Group
Electralith Pty Ltd	Level 35, 360 Elizabeth Street, Melbourne, VIC 3000	24.12%	Group
Ordinary Shares (Electralith Pty Ltd)		28.17%	Group
A Preference Shares (Electralith Pty Ltd)		19.53%	Group
Emdot Limited	3 Pancras Square, King's Cross, London, England, N1C 4AG	26.27%	Group
Ordinary Shares (Emdot Limited)		26.27%	Group
Enterprise Therapeutics Holdings Ltd	Sussex Innovation Centre Science Park Square, Falmer, Brighton, England, BN1 9SB	20.77%	Group
B Shares (Enterprise Therapeutics Holdings Ltd)		0.00%	Group
Ordinary Shares (Enterprise Therapeutics Holdings Ltd)		0.00%	Group
B Preference Shares (Enterprise Therapeutics Holdings Ltd)		16.38%	Group
A Preference Shares (Enterprise Therapeutics Holdings Ltd)		47.60%	Group
Series B1 Preferred Shares (Enterprise Therapeutics Holdings		15.00%	Group
Series B2 Preferred Shares (Enterprise Therapeutics Holdings		26.03%	Group
First Light Fusion Limited	Unit 10 Mead Road, Yarnton, Kidlington, Oxfordshire, OX5 1QU	27.46%	Group
Ordinary Shares (First Light Fusion Limited)		28.20%	Group
A Shares (First Light Fusion Limited)		0.00%	Group
Forge Photonics Pty Ltd	Suite 201, 697 Burke Road, Camberwell VIC 3124	37.97%	
Ordinary Shares (Forge Photonics Pty Ltd)		37.97%	
Gripable Limited	55 Station Road Beaconsfield HP9 1QL	36.78%	Group
Ordinary Shares (Gripable Limited)		37.10%	Group
B Ordinary Shares (Gripable Limited)		0.00%	Group
Hysata Pty Ltd	AIIM Building, Innovation Campus, North Wollongong NSW 2500	46.34%	Group
Ordinary Shares (Hysata Pty Ltd)		63.43%	Group
A Preference Shares (Hysata Pty Ltd)		44.71%	Group
B Preference Shares (Hysata Pty Ltd)		13.05%	

NOTES TO THE COMPANY FINANCIAL STATEMENTS.

9. Details of significant holdings and associated undertakings continued

Name of undertaking	Registered address	Proportion of nominal value held %(i)	Held by parent/ Group(ii)
Ibex Innovations Limited	Netpark Plexus Thomas Wright Way Sedgefield Stockton-on-Tees TS21 3FD	46.38%	Group
Ordinary Shares (Ibex Innovations Limited)		46.38%	Group
Ieso Digital Health Limited	The Jeffreys Building, Cowley Road, Cambridge, Cambridgeshire, United Kingdom, CB4 0DS	20.86%	Group
Deferred Shares (Ieso Digital Health Limited)		0.00%	Group
C Preference Shares (Ieso Digital Health Limited)		29.47%	Group
Preference Shares (Ieso Digital Health Limited)		5.54%	Group
Ordinary Shares (Ieso Digital Health Limited)		37.47%	Group
Iksuda Therapeutics Limited	The Biosphere, Draymans Way, Newcastle Helix, Newcastle upon Tyne, NE4 5BX	27.19%	Group
Ordinary Shares (Iksuda Therapeutics Limited)		22.55%	Group
A Ordinary Shares (Iksuda Therapeutics Limited)		50.00%	Group
Deferred Shares (Iksuda Therapeutics Limited)		0.00%	Group
B Shares (Iksuda Therapeutics Limited)		0.00%	Group
Series A Shares – CLN Issue price 1 (Iksuda Therapeutics Lim		65.65%	Group
A Preference Shares (Iksuda Therapeutics Limited)		0.00%	Group
Series A Shares – Issue Price 3 (Iksuda Therapeutics Limited		0.00%	Group
Series A Shares – CLN Issue price 2 (Iksuda Therapeutics Lim		100.00%	Group
Inosi Therapeutics Pty Ltd	South Wharf, VIC 3006, Australia	26.00%	
Ordinary Shares (Inosi Therapeutics Pty Ltd)		26.00%	
Intrinsic Semiconductor Technologies Limited	9th Floor 107 Cheapside London EC2V 6DN	28.22%	Group
A Ordinary Shares (Intrinsic Semiconductor Technologies Limi		43.67%	Group
Ordinary Shares (Intrinsic Semiconductor Technologies Limite		0.00%	Group
B Ordinary Shares (Intrinsic Semiconductor Technologies Limi		24.09%	Group
B1 Ordinary Shares (Intrinsic Semiconductor Technologies Lim		38.46%	Group
Ionix Advanced Technologies Limited	Lynthorne House Intercity Way Leeds LS13 4LQ	27.33%	Group
Ordinary Shares (Ionix Advanced Technologies Limited)		27.30%	Group
B Ordinary Shares (Ionix Advanced Technologies Limited)		100.00%	Group
Deferred Shares (Ionix Advanced Technologies Limited)		0.00%	Group
E Ordinary Shares (Ionix Advanced Technologies Limited)		27.78%	Group
Ipalk SAS	112 rye des hautes variennes, 45200, Amilly France	22.00%	Group
Ordinary Shares (Ipalk SAS)		22.00%	Group

NOTES TO THE COMPANY FINANCIAL STATEMENTS.

9. Details of significant holdings and associated undertakings continued

Name of undertaking	Registered address	Proportion of nominal value held %(i)	Held by parent/ Group(ii)
Istesso Limited	2nd Floor 3 Pancras Square, Kings Cross, London, United Kingdom, N1C 4AG	25.80%	Group
Deferred Shares (Istesso Limited)		0.00%	Group
Ordinary Shares (Istesso Limited)		40.57%	Group
Growth Shares (Istesso Limited)		0.00%	Group
A Shares (Istesso Limited)		77.78%	Group
Jetra Therapeutics Pty Ltd	St Lucia QLD 4072 Australia	31.71%	Group
Ordinary Shares (Jetra Therapeutics Pty Ltd)		31.71%	Group
Lumai Limited	61 Derwent Avenue, Headington, Oxford, England, OX3 0AS	28.71%	Group
Ordinary Shares (Lumai Limited)		31.20%	Group
A Preference Shares (Lumai Limited)		25.44%	Group
Magnomatics Limited	Park House, Bernard Road, Sheffield, S2 5BQ	37.00%	Group
A Shares (Magnomatics Limited)		52.14%	Group
Ordinary Shares (Magnomatics Limited)		15.26%	Group
C Ordinary Shares (Magnomatics Limited)		100.00%	Group
B Shares (Magnomatics Limited)		100.00%	Group
Metabometrix Limited	12 Lodgefield Welwyn Garden City AL7 1SD	23.00%	Group
Ordinary Shares (Metabometrix Limited)		23.00%	Group
Mixergy Limited	30 Upper High Street, Thame, Oxfordshire, OX9 3EZ	25.23%	Group
Ordinary Shares (Mixergy Limited)		25.65%	Group
A Ordinary Shares (Mixergy Limited)		22.00%	Group
B Ordinary Shares (Mixergy Limited)		20.20%	Group
C Ordinary Shares (Mixergy Limited)		6.28%	Group
mRNAex Pty Ltd		30.77%	
Seed Preference Shares (mRNAex Pty Ltd)		36.36%	
NGenics Global Limited	School of Physics, Engineering and Technology University of York Heslington York YO10 5DD	29.61%	Group
Ordinary Shares (NGenics Global Limited)		29.61%	Group
OptiGrid Holdings Pty Ltd	THINCLAB, Unit G, Pulteney Street, Adelaide SA 5000	24.76%	
Seed Preference Shares (OptiGrid Holdings Pty Ltd)		57.21%	
OxCCU Tech Limited	Oxccu Oxford Airport, Hangar 15 Langford Lane Oxford OX5 1RA	26.35%	Group
Ordinary Shares (OxCCU Tech Limited)		26.53%	Group
A Preference Shares (OxCCU Tech Limited)		12.48%	Group

NOTES TO THE COMPANY FINANCIAL STATEMENTS.

9. Details of significant holdings and associated undertakings continued

Name of undertaking	Registered address	Proportion of nominal value held %(i)	Held by parent/ Group(ii)
Oxehealth Limited	Bee House Eastern Avenue Milton Abingdon OX14 4SB	25.34%	Group
Ordinary Shares (Oxehealth Limited)		25.34%	Group
OxSyBio Limited	3 Field Court, London, WC1R 5EF	44.04%	Group
Ordinary Shares (OxSyBio Limited)		45.85%	Group
A Shares (OxSyBio Limited)		100.00%	Group
Preference Shares (OxSyBio Limited)		40.00%	Group
Perlemax Limited	318 Broad Lane, Kroto Innovation Centre, Sheffield, South Yorkshire, England, S3 7HQ	34.46%	Group
Ordinary Shares (Perlemax Limited)		34.46%	Group
Ph Therapeutics Limited	2nd Floor (C/O Ip Group Plc) 3 Pancras Square London N1C 4AG	60.00%	Group
Ordinary Shares (Ph Therapeutics Limited)		60.00%	Group
RAGE Biotech Pty Ltd	40 City Road, Southbank, Victoria 3006, Australia	61.33%	Group
Ordinary Shares (RAGE Biotech Pty Ltd)		70.29%	Group
A Preference Shares (RAGE Biotech Pty Ltd)		54.96%	
Resseptor Therapeutics Pty Ltd	Suite 201, 697 Burke Road, Camberwell VIC 3124	38.00%	Group
Ordinary Shares (Resseptor Therapeutics Pty Ltd)		38.00%	Group
Riotech Pharmaceuticals Limited	49 Arrivato Plaza, Hall Street, St Helens, United Kingdom, WA10 1GH	24.00%	Group
Ordinary Shares (Riotech Pharmaceuticals Limited)		24.00%	Group
SkyStrata, Inc.	5179 Britten Ln, Ellicott City, MD 21043, United States	28.79%	Group
Ordinary Shares (SkyStrata, Inc.)		28.79%	Group
Spinetic Energy Limited	Office D Beresford House Town Quay Southampton SO14 2AQ	29.61%	Group
Ordinary Shares (Spinetic Energy Limited)		29.61%	Group
Sunborne Systems Limited	3 Field Court Gray's Inn London WC1R 5EF	21.95%	Group
Ordinary Shares (Sunborne Systems Limited)		21.95%	Group
Surrey Nanosystems Limited	East Side Business Park, Beach Road, Newhaven, England, BN9 0FB	21.12%	Group
A Ordinary Shares – Issue Price 1 (Surrey NanoSystems Limite		13.89%	Group
Ordinary Shares (Surrey Nanosystems Limited)		32.25%	Group
A Ordinary Shares – Issue Price 2 (Surrey Nanosystems Limite		28.73%	Group
A Shares (Surrey Nanosystems Limited)		9.09%	Group
A Ordinary Shares (Surrey Nanosystems Limited)		35.24%	Group

NOTES TO THE COMPANY FINANCIAL STATEMENTS.

9. Details of significant holdings and associated undertakings continued

Name of undertaking	Registered address	Proportion of nominal value held %(i)	Held by parent/ Group(ii)
Telectica Limited	Second Floor Kennel Club House, Gatehouse Way, Aylesbury, Buckinghamshire, United Kingdom, HP19 8DB	26.35%	Group
A Ordinary Shares (Telectica Limited)		0.00%	Group
Ordinary Shares (Telectica Limited)		0.00%	Group
Seed Preferred Shares (Telectica Limited)		90.53%	Group
Topivert Limited	1 More London Place, London, SE1 2AF, United Kingdom	25.14%	Group
Growth Shares (Topivert Limited)		0.00%	Group
A Preference Shares (Topivert Limited)		0.00%	Group
Ordinary Shares (Topivert Limited)		1.75%	Group
A Ordinary Shares (Topivert Limited)		37.78%	Group
Series B Shares (Topivert Limited)		25.41%	Group
Deferred Shares (Topivert Limited)		0.00%	Group
TriboSim Limited	49 Station Road Tribosim Ltd, Polegate, East Sussex, England, BN26 6EA	22.50%	Group
Ordinary Shares (TriboSim Limited)		22.50%	Group
Ubiquigent Limited	Dundee University Incubator Dundee Technopole, James Lindsay Place, Dundee, DD1 5JJ	37.19%	Group
Ordinary Shares (Ubiquigent Limited)		37.19%	Group
Uniphy Limited	Nexus, Discovery Way, Leeds, United Kingdom, LS2 3AA	39.05%	Group
Ordinary Shares (Uniphy Limited)		39.05%	Group
A Ordinary Shares (Uniphy Limited)		16.00%	Group
B Shares (Uniphy Limited)		0.00%	Group
B Shares – CLN (Uniphy Limited)		6.90%	Group
Zeetta Networks Limited	11th Floor One Temple Row Birmingham B2 5LG	21.82%	Group
Ordinary Shares (Zeetta Networks Limited)		12.35%	Group
Preference Shares (Zeetta Networks Limited)		25.44%	Group
Zoompast Limited	Office 7, 35-37 Ludgate Hill, London, EC4M 7JN	31.25%	Group
Ordinary Shares (Zoompast Limited)		31.25%	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.s

UNAUDITED PRO-FORMA STATEMENT OF FINANCIAL POSITION.

The following table reconciles the shows how the Group's financial position would look if it was consolidated on a line by line basis rather than the IFRS basis.

	Pro-forma 2025 £m	IFS adjustments 2025 £m	IFRS basis 2025 £m	2024 £m
ASSETS				
Non-current assets				
Goodwill	**0.4**	**–**	**0.4**	0.4
Property, plant and equipment	**0.3**	**(0.3)**	**–**	0.8
Investments in investment entity subsidiaries	**–**	**1,073.8**	**1,073.8**	–
Fair Value of cash flows from Intangible Assets	**211.6**	**(211.6)**		
Joint venture investment	**0.5**	**(0.5)**	**–**	0.6
Equity investments	**640.5**	**(640.5)**	**–**	713.8
Debt investments	**78.7**	**(75.3)**	**3.4**	51.6
Limited and limited liability partnership interests	**41.9**	**(40.7)**	**1.2**	58.1
Receivable on sale of debt and equity investments	**74.7**	**(74.7)**	**–**	18.5
Deferred tax asset	**18.6**	**(18.6)**	**–**	–
Total non-current assets	**1,067.2**	**11.6**	**1,078.8**	843.8
Current assets		**–**	**–**	
Assets held for sale		**–**	**–**	13.9
Trade and other receivables	**8.1**	**(4.8)**	**3.3**	6.3
Receivable on sale of debt and equity investments	**16.7**	**(16.7)**	**–**	1.6
Deposits	**123.2**	**(123.2)**	**–**	170.0
Cash and cash equivalents	**87.8**	**(71.3)**	**16.5**	115.6
Total current assets	**235.8**	**(216.0)**	**19.8**	307.4
Total assets	**1,303.0**	**(204.4)**	**1,098.6**	1,151.2
EQUITY AND LIABILITIES		**–**		
Equity attributable to owners of the parent		**–**		
Called up share capital	**17.8**	**–**	**17.8**	19.5
Share premium account	**102.5**	**–**	**102.5**	102.5
Capital redemption reserve	**3.5**	**–**	**3.5**	1.8
Retained earnings	**864.7**	**(13.5)**	**851.3**	842.2
Total equity attributable to equity holders	**988.5**	**(13.4)**	**975.1**	966.0
Non-controlling interest	**(13.4)**	**13.4**	**–**	(13.5)
Total equity	**975.1**	**–**	**975.1**	952.5
Current liabilities				
Trade and other payables	**11.1**	**(8.1)**	**3.0**	12.5
Borrowings	**122.8**	**(3.1)**	**119.7**	6.3
Total current liabilities	**133.9**	**(11.2)**	**122.7**	18.8
Non-current liabilities				
Borrowings	**–**	**–**	**–**	122.8
Carried interest plan liability	**16.0**	**(16.0)**	**–**	27.3
Deferred tax liability	**3.7**	**(2.9)**	**0.8**	4.5
Loans from limited partners of consolidated funds	**18.3**	**(18.3)**	**–**	19.9
Other non-current liabilities	**156.0**	**(156.0)**	**–**	5.4
Total non-current liabilities	**194.0**	**(193.2)**	**0.8**	179.9
Total liabilities	**327.9**	**(204.4)**	**123.5**	198.7
Total equity and liabilities	**1,303.0**	**(204.4)**	**1,098.6**	1,151.2

COMPANY INFORMATION.

Company registration number
04204490

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2nd Floor 3 Pancras Square Kings Cross London N1C 4AG

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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
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