



UNLOCKING THE VALUE OF SCIENCE

FY results 31 December 2021

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Record year, evolving strategy, shareholder value

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A healthier, sustainable, tech-enriched future: unlocking shareholder value

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Exciting portfolio, poised for growth

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01

OVERVIEW

Record year, evolving strategy, shareholder value

OVERVIEW

RECORD YEAR

Successful 12 months, building on two decades of experience of identifying & backing disruptive innovation. Strong financial position.

EVOLVING STRATEGY

Greater thematic focus, accelerating our most exciting companies, growing capital under management.

UNLOCKING SHAREHOLDER VALUE

Sustainable capital allocation policy. 34% return on NAV and £50m cash returns.

RECORD YEAR



£452m

RETURN ON NAV

(2020: £190m)



£213m

CASH REALISATIONS

(2020: £191m)



£270m

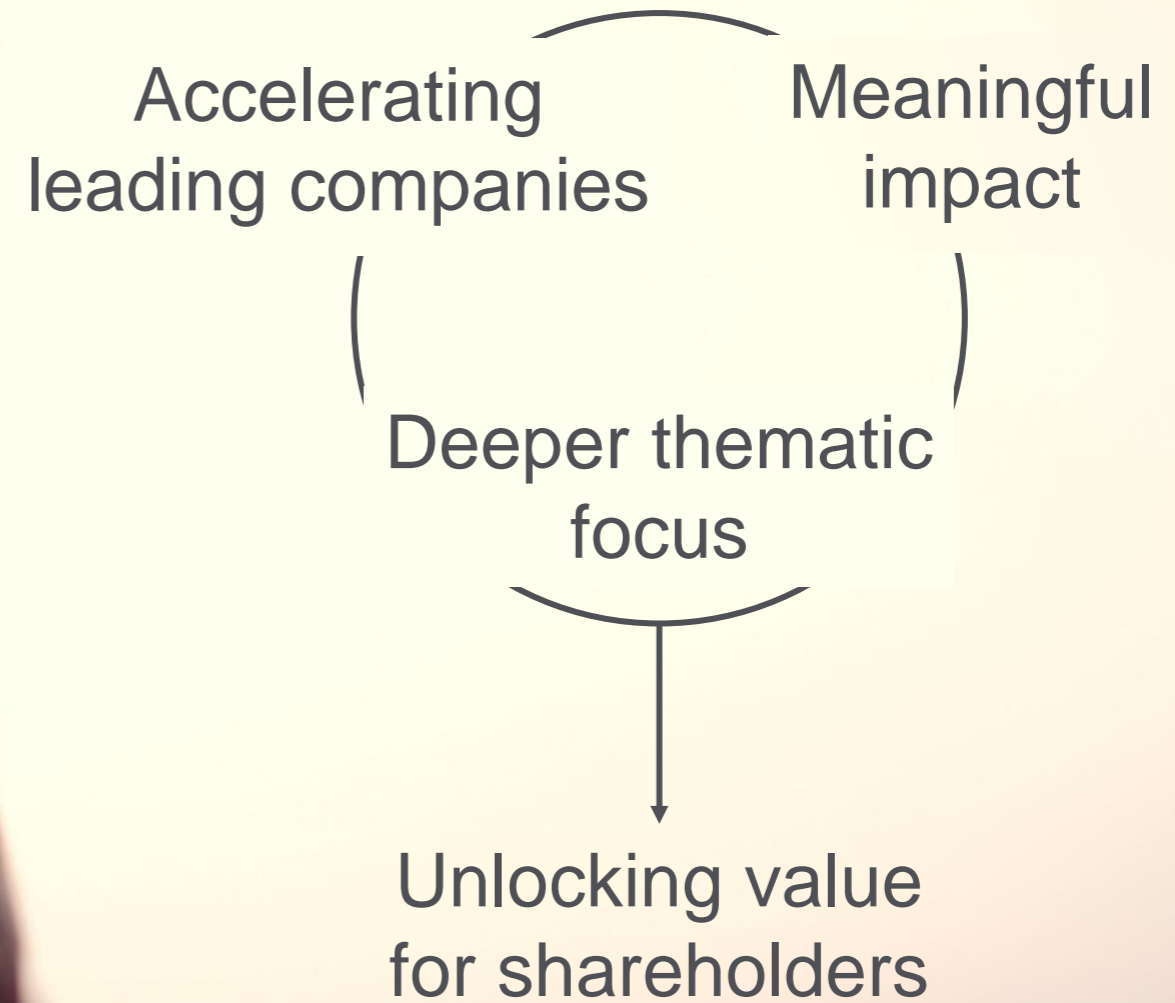
NET CASH

(2020: £203m)

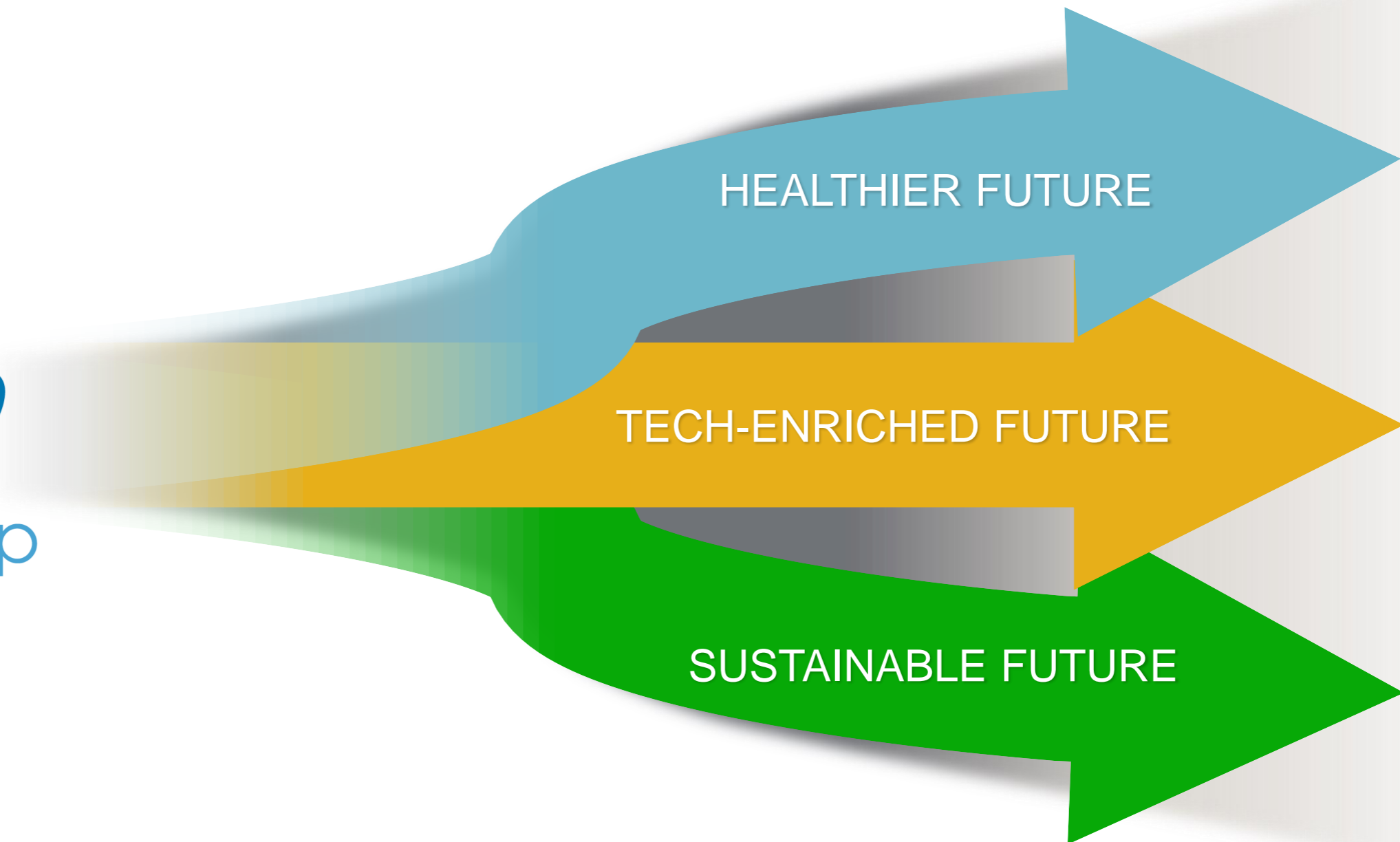
PURPOSE, VISION & STRATEGY

A healthier, sustainable, tech-enriched future: unlocking shareholder value

AN EVOLVING STRATEGY



THEMATIC FOCUS AREAS



HEALTHIER FUTURE



Understanding
disease



Reprogramming
cells



Reconditioning
tissue



Redirecting
behaviour to
reduce risk

FROM TREATMENT TO
PREVENTION AND CURE

TECH-ENRICHED FUTURE



Cybersecurity and
fintech



Next gen networks



Human-machine
interface



Neuromorphic &
quantum computing

SUSTAINABLE FUTURE



Renewable
electricity &
alternative fuels



Mobility and
transport



Greenhouse gas
capture/ removal/
storage



Climate risk
management

BEYOND NANOPORE: SELECTED CONVICTION COMPANIES

HEALTHIER FUTURE

istesso

GENOMICS

 PULMOCIDE
PULMONARY TISSUE REPAIR

TECH-ENRICHED FUTURE

FEATURE
SPACE

 GARRISON

ultraleap 

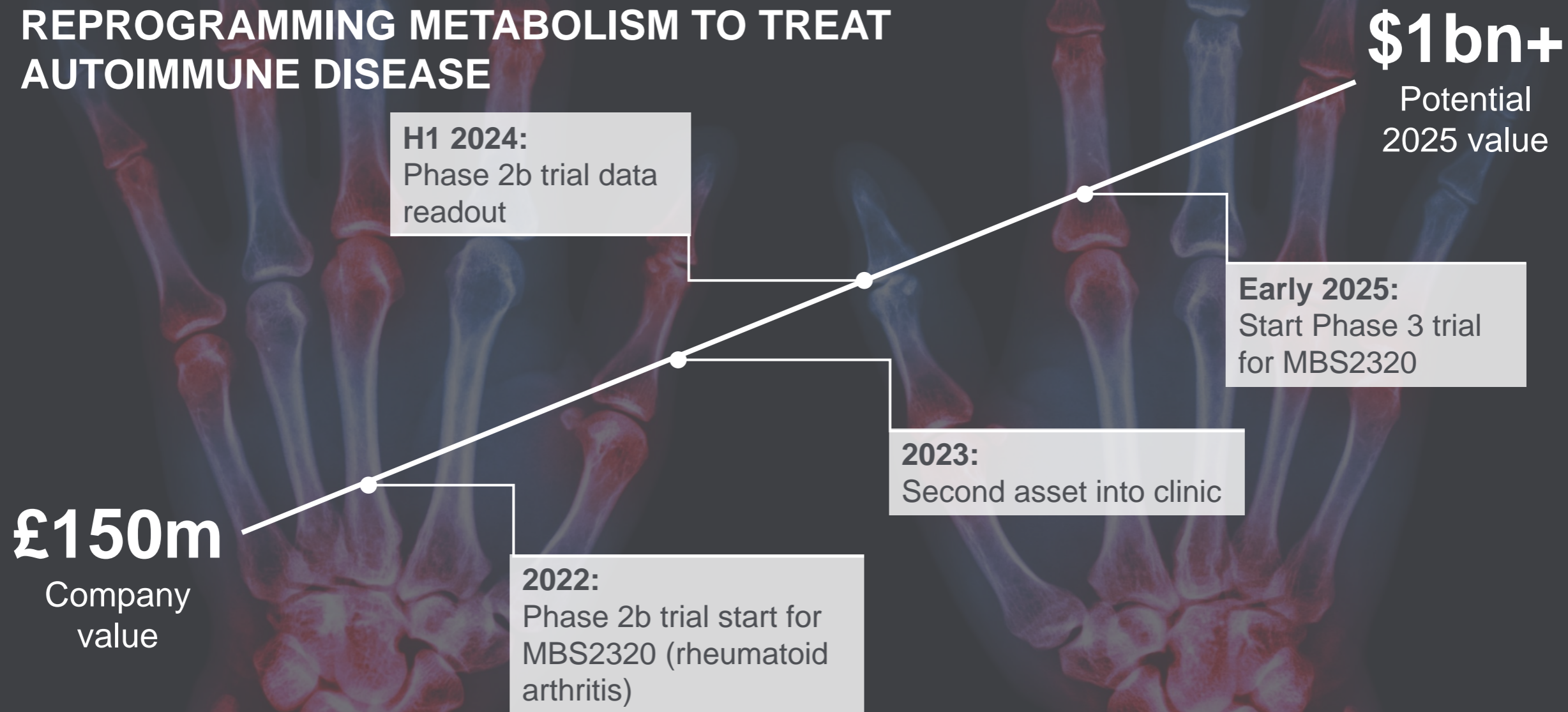
SUSTAINABLE FUTURE

 first light

 oxbotica

 Hysata

REPROGRAMMING METABOLISM TO TREAT AUTOIMMUNE DISEASE



Adaptive Behavioral Analytics for combatting fraud and financial crime

£278m
Company value
(May 2020)

2021:
Revenue CAGR 74%
over past 5 years

2022:
Recurring revenue growth.
Commercialise Deep Learning for Payment Fraud Prevention.

2022-25:
Outpacing growing market. Commercialise FS Labs.

\$1bn+
Potential
2025 value



first light



HARNESSING THE POWER OF INERTIAL CONFINEMENT FUSION

High impact scientific publication

\$1bn+
Potential 2025 value

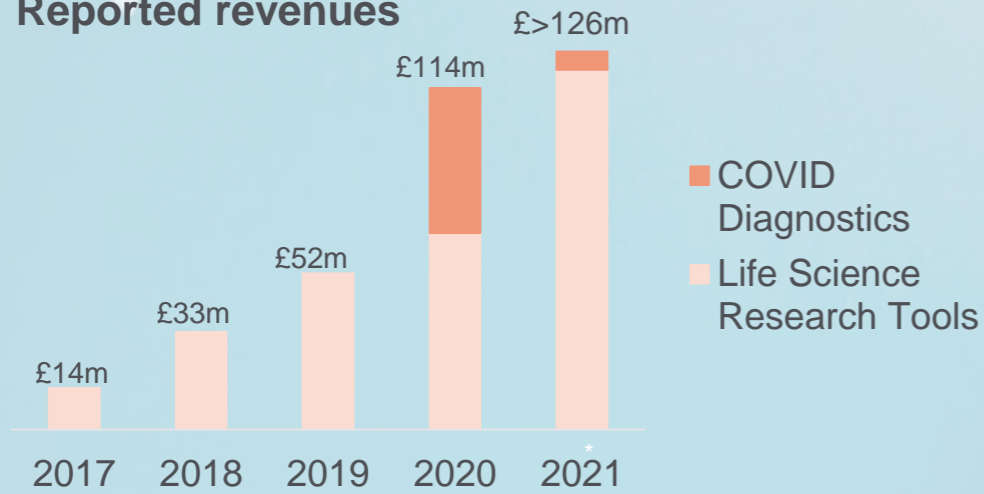
2022/23:
Validated fusion reaction

Series D fundraising

£200m
Company value

Gain reactor design (Machine 4)

Reported revenues



CONTINUED GROWTH

- £3.4bn LSE IPO
- Strong, five-year revenue growth

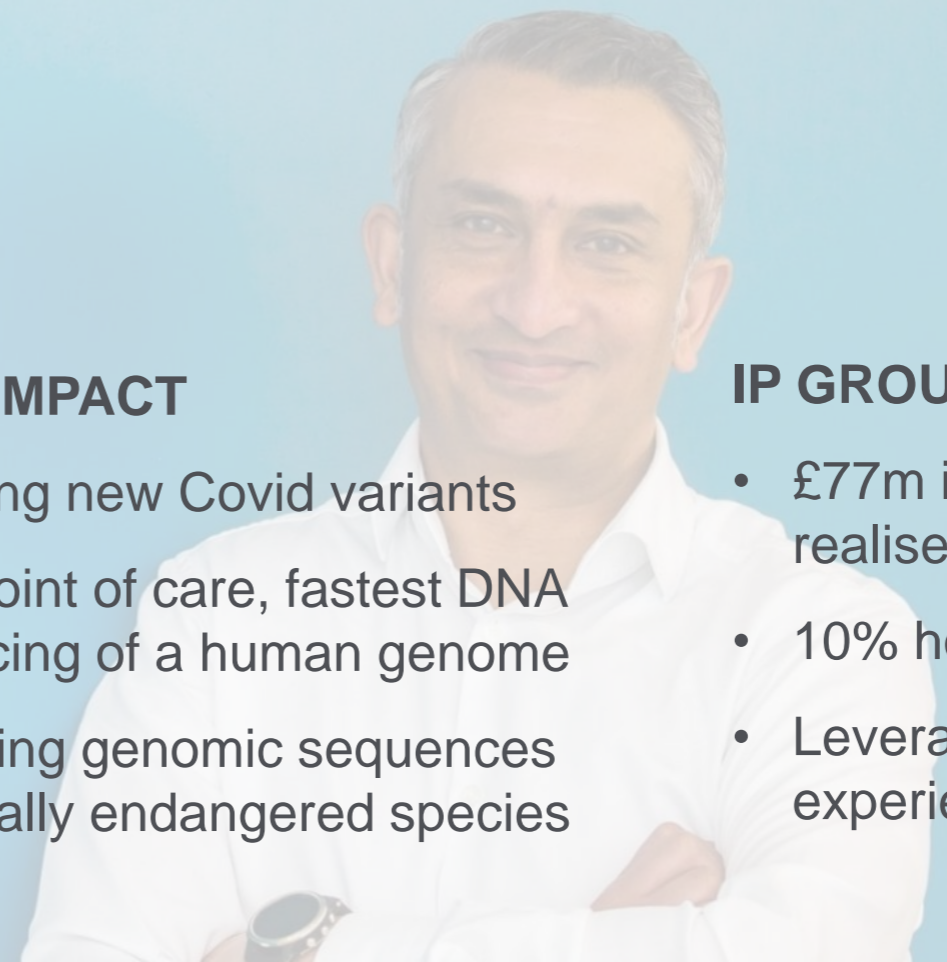
GLOBAL IMPACT

- Identifying new Covid variants
- Rapid point of care, fastest DNA sequencing of a human genome
- Supporting genomic sequences for critically endangered species

IP GROUP HOLDING

- £77m invested, £106m realised
- 10% holding retained
- Leveraging 15+ year experience and relationship

*Revenues preliminary & unaudited, refer to Jan RNS



CREATING SUSTAINABLE VALUE FOR SHAREHOLDERS

PUBLIC MARKET EXPOSURE TO MOST IMPACTFUL TECH

- International expertise and networks
- Deep thematic focus and presence
- Building global leaders, many with the potential to scale above \$1bn in value

EXCITING PORTFOLIO OF HIGH GROWTH COMPANIES

- Permanent capital enables flexibility, backing companies from inception to scale
- Maintaining influential shareholdings and active involvement

CAPITAL ALLOCATION TO DRIVE RETURNS

- Rigorous capital allocation and investment appraisal
- 20 year track record of capital growth

RESULTS

Group-wide returns, strong liquidity

SUMMARY FINANCIALS



£452m

RETURN ON NAV

(2020: £190m)



£1.7bn

NAV

(2020: £1.3b)



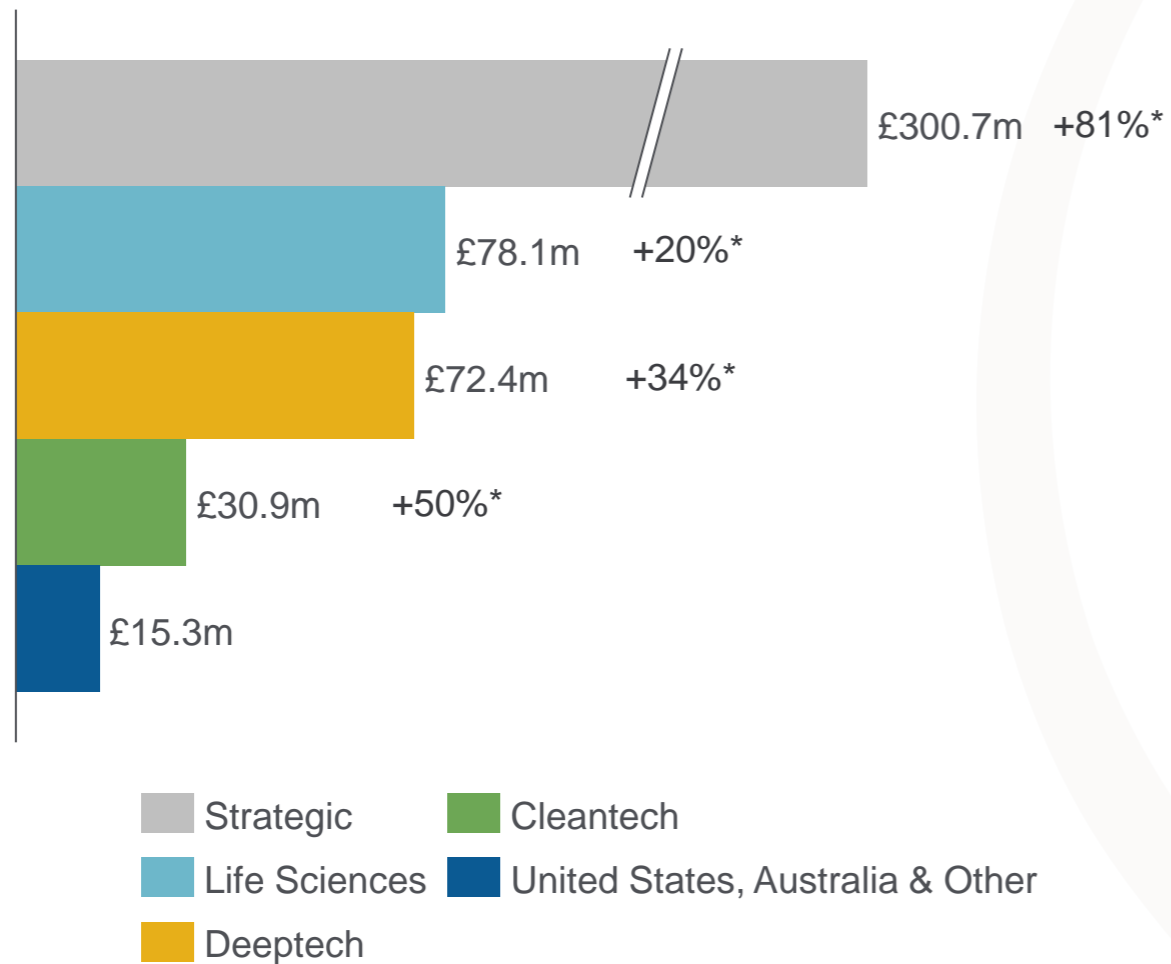
£270m

NET CASH

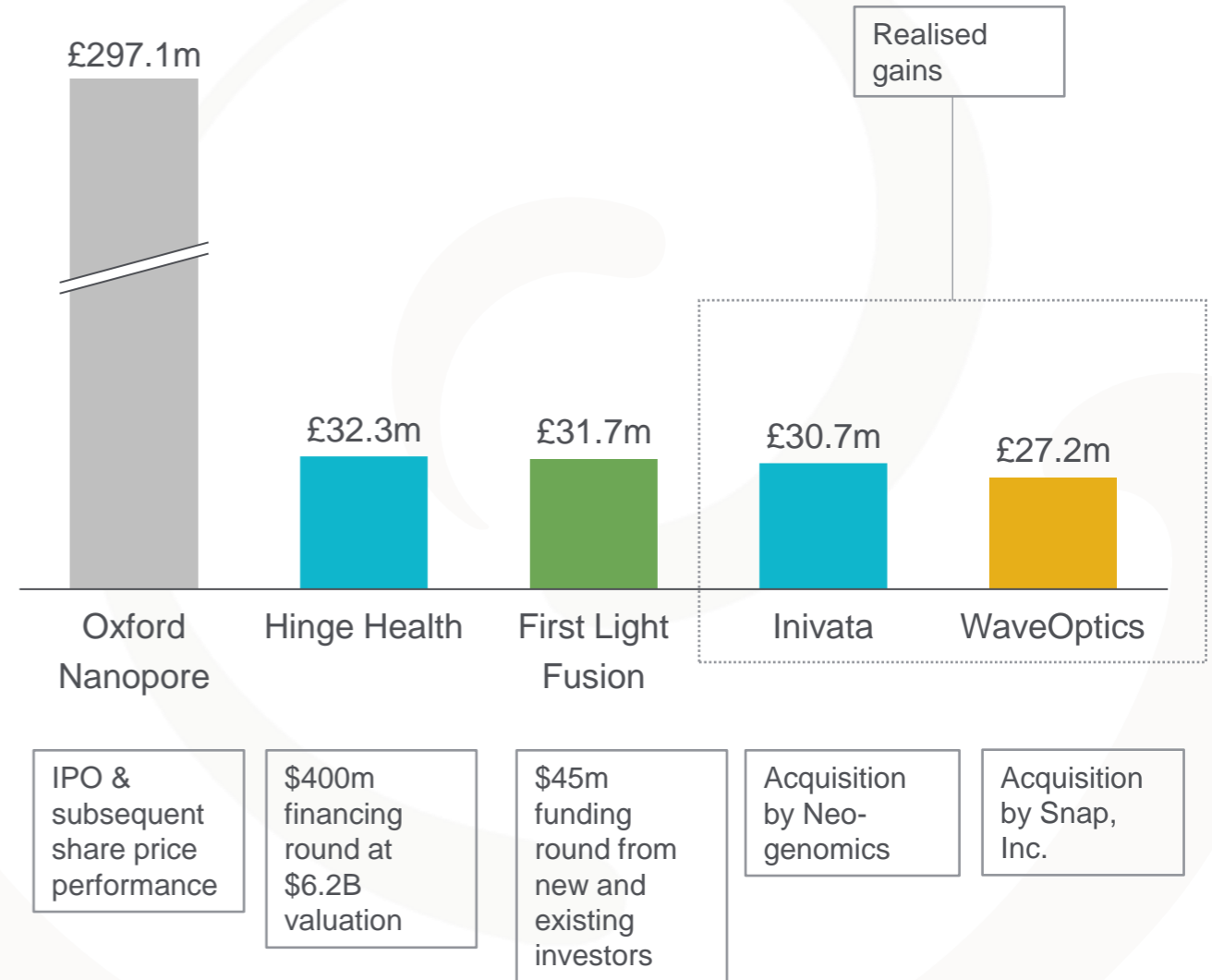
(2020: £203m)

PORTFOLIO PERFORMANCE SUMMARY:

Net portfolio gains by sector (£497m):

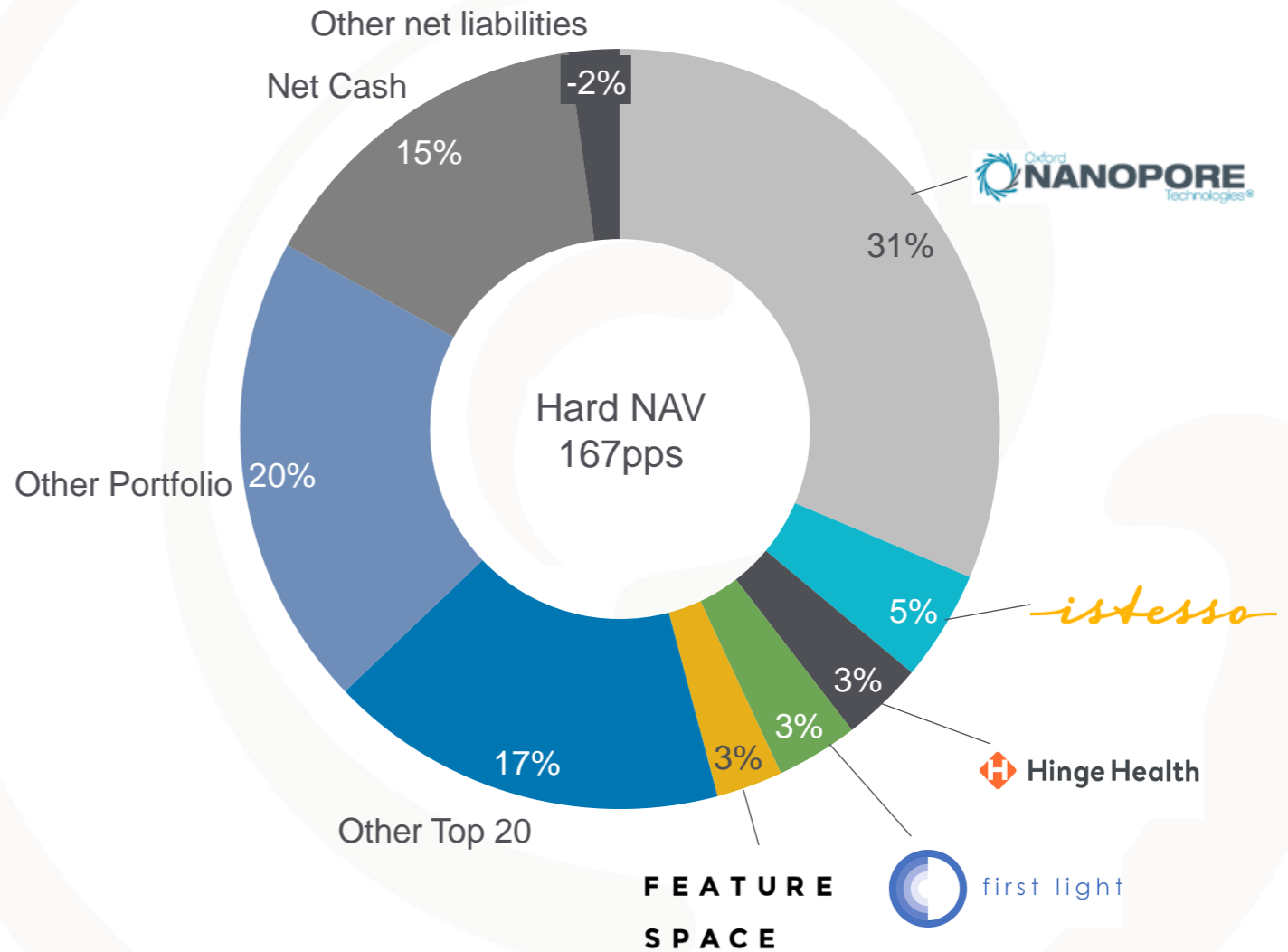
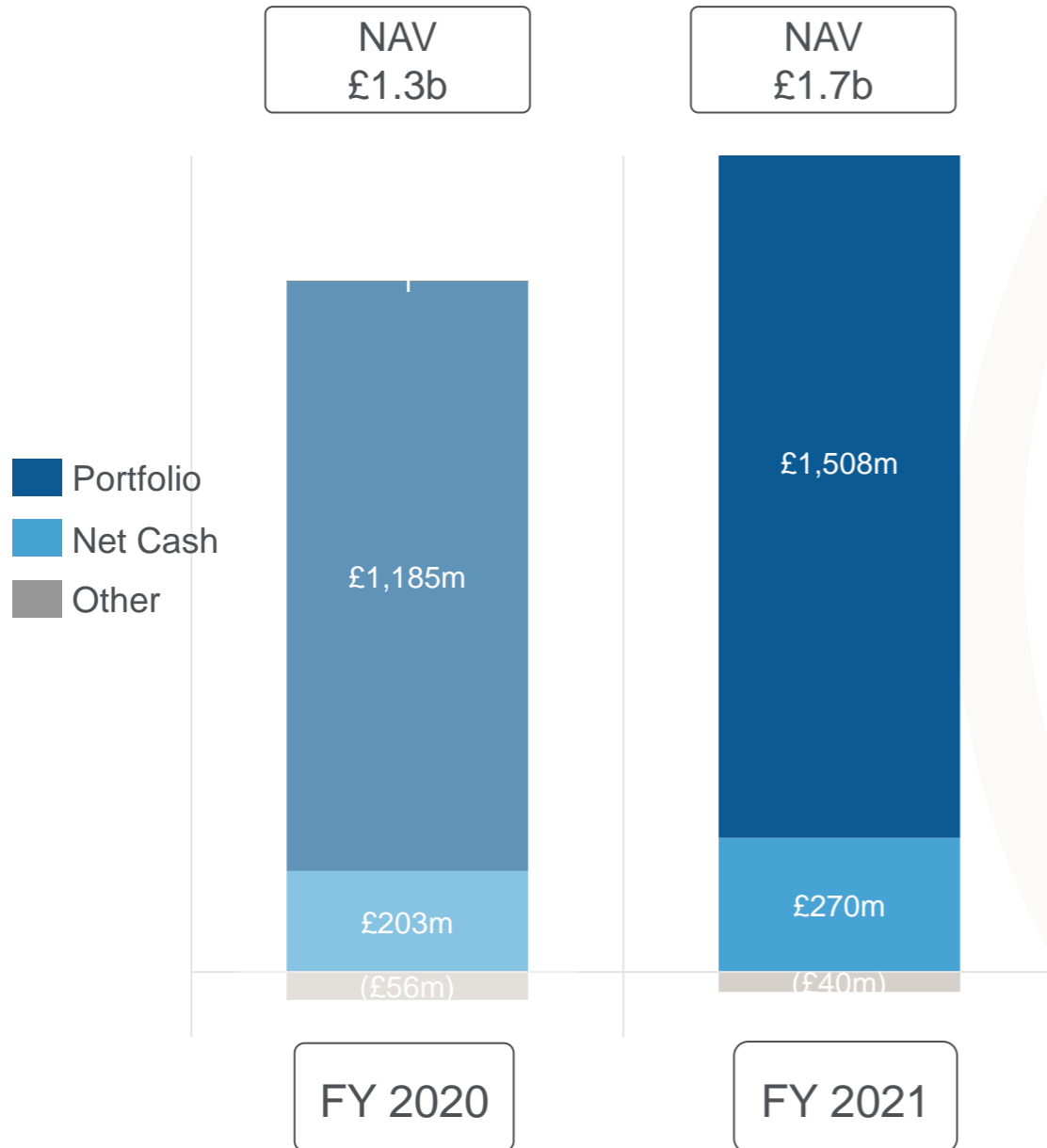


Most significant contributors:



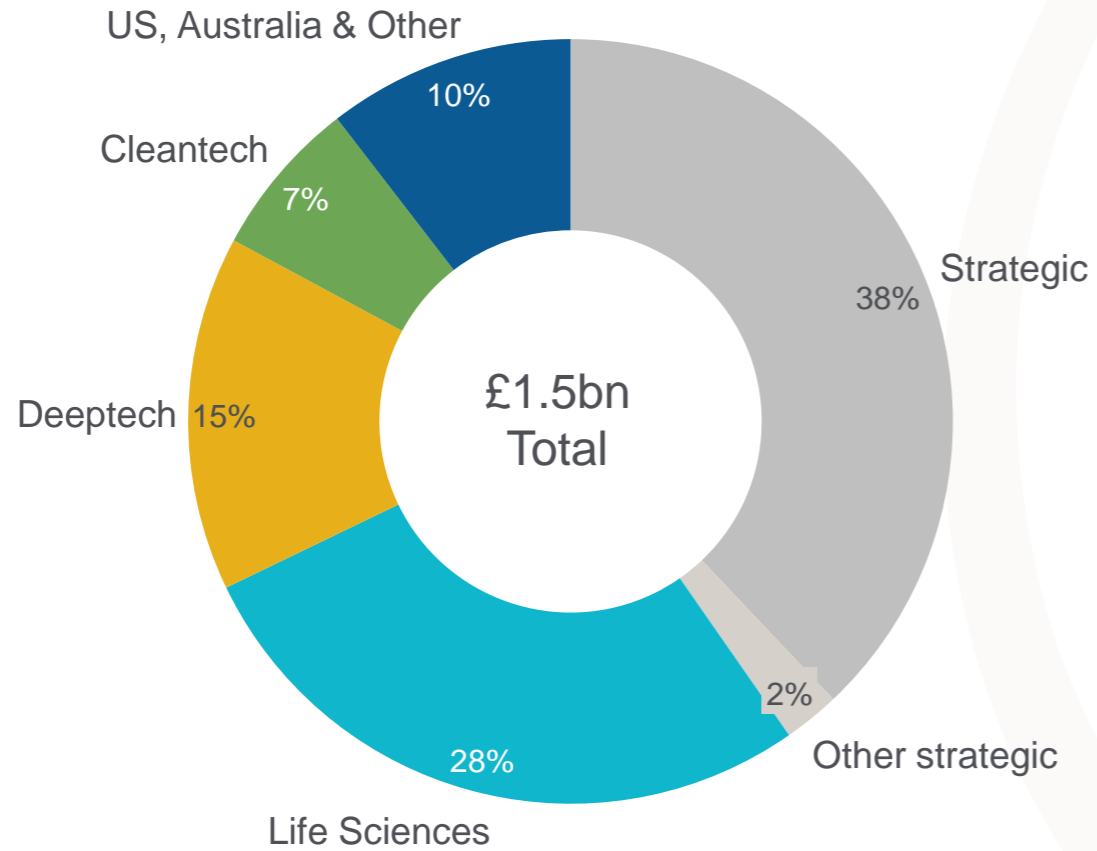
* Simple return on opening portfolio

RESULTS: BALANCE SHEET - NET ASSETS

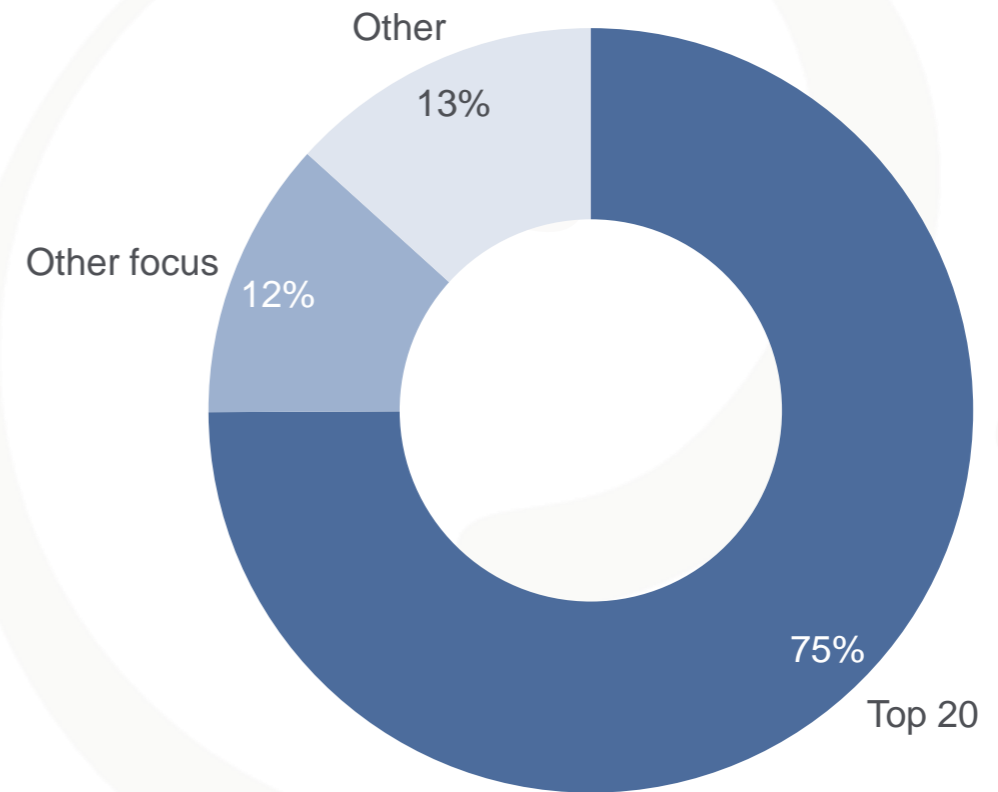


TOTAL PORTFOLIO COMPOSITION & CONCENTRATION

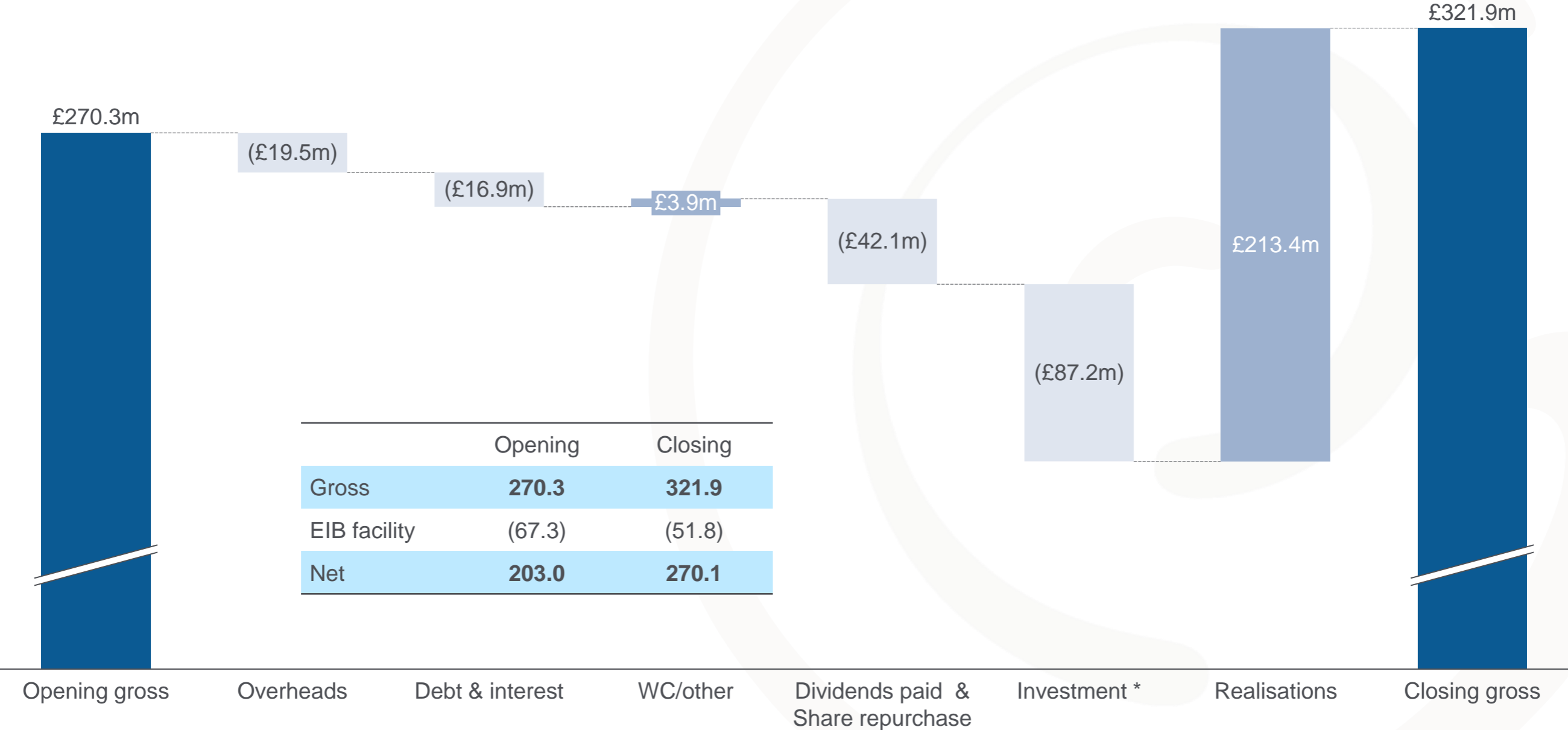
Portfolio by sector:



Portfolio by attention:



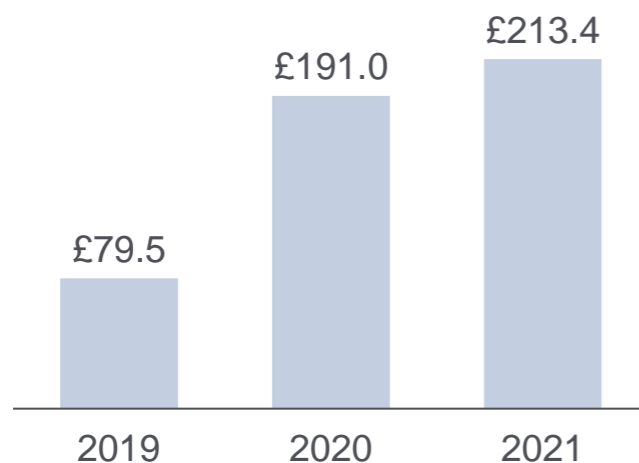
RESULTS: CASH FLOWS



* Includes fund investment, excludes investment into US portfolio of £19m

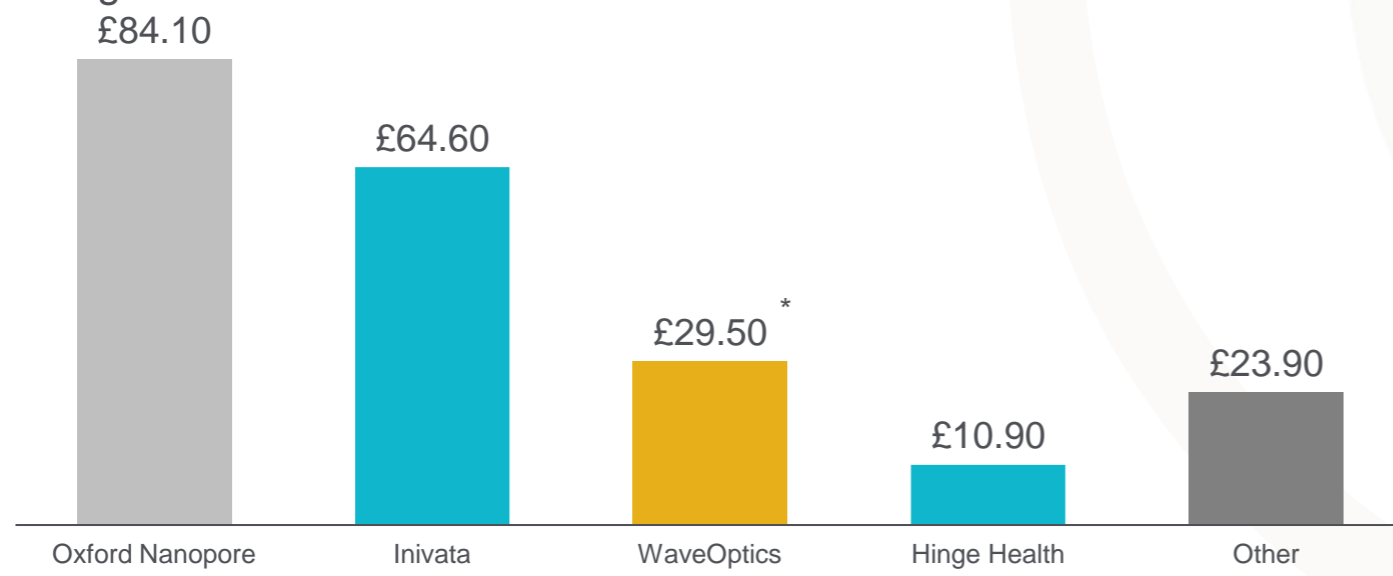
PORTFOLIO REALISATIONS

Portfolio realisations by year £m:



- Third year of record realisations from maturing portfolio
- £213m realisations in 2021 were £82m (62%) greater than prior year carrying value* (2020: £83m)
- Strong returns multiples on cost across four largest realisations

5 largest 2021 realisations £m:



	Realised Money Multiple
Oxford Nanopore	6.2
Hinge Health	85.4
WaveOptics	5.9
Inivata	2.5

* Plus additional £24m deferred consideration on WaveOptics/£27m deferred consideration total



04

SUMMARY

Exciting portfolio, poised for growth

SUMMARY

RECORD YEAR

Successful 12 months, building on two decades of identifying & backing disruptive innovation.

EVOLVING STRATEGY

Greater thematic focus, accelerating leading assets, growing capital under management.

UNLOCKING SHAREHOLDER VALUE

Sustainable capital allocation policy. 34% return on NAV and £50m cash returns.

OUTLOOK

Well-capitalised, exciting portfolio, poised for growth.

Appendices

1 - BOARD



Sir Douglas Flint
Non-executive Chairman

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



Greg Smith
Chief Executive Officer

Decade as Group CFO driving strategy, scale and geographic expansion. Deep experience in investment appraisal, capital and resource allocation. Previously KPMG and \$3bn fund of hedge funds



David Baynes
Chief Financial and Operating Officer

Finance and venture background, long track record of working successfully with the Boards of investee companies
Co-founder Fusion IP plc.; bought by IP Group



Dr Elaine Sullivan
Non-executive Director

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



Heejae Chae
Non-executive Director

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



Dr Caroline Brown
Non-executive Director

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



Aedhmar Hynes
Non-executive Director

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



Angela Leach
Company Secretary & Group Legal Counsel

Background in corporate, commercial and IP law
Previously CMS Cameron McKenna and Memery Crystal

2 – SENIOR MANAGEMENT



Greg Smith

Chief Executive Officer

Decade as Group CFO driving strategy, scale and geographic expansion. Deep experience in investment appraisal, capital and resource allocation. Previously KPMG and \$3bn fund of hedge funds.



David Baynes

Chief Financial and Operating Officer

Finance and venture background, long track record of working successfully with the Boards of investee companies
Co-founder Fusion IP plc.; bought by IP Group



Angela Leach

Company Secretary & Group Legal Counsel

Background in corporate, commercial and IP law
Previously CMS Cameron McKenna and Memery Crystal



Dr Mark Reilly

Managing Partner, Technology

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



Dr Sam Williams

Managing Partner, Life Sciences

20 years' experience in biotech, both as equity analyst and entrepreneur.
Co-founder: Istesso; Board member: Diurnal Group plc, Glythera Limited and Microbiotica Limited.



Dr Lisa Patel

Partner, Life Sciences

Over 20 years' in Pharma, biotech, and drug discovery/development. Previously GSK.
Co-founder: Istesso



Liz Vaughan-Adams

Director of Communications

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



Moray Wright

CEO Parkwalk Advisors

Background in corporate, commercial and IP law
Previously Hoare Govett, JP Morgan, Lazard and Mirabaud.



Mike Molinari

Managing Director Australia

Strong background in science commercialisation and invention
Previously Brandon Capital, Medical Research Commercialisation Fund



Anthony York

Group People Director

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



Joyce Xie

Managing Director, Greater China

International career in investment management and private banking covering Telecoms, Media, and Technology.
Previously HSBC investment banking, private banking.



Chris Glasson

Group Finance Director

Chartered accountant with 15 years+ experience in finance
Previously Deloitte, Tesco, The Carphone Warehouse

3 - APPROACH TO IMPACT AND ESG

PURPOSE: IMPACT

- Impact measured against SDG framework
- Focus on transition to net zero, health, digitisation

AS A PLC

- Materiality assessment
- Non-financial KPI
- New reporting frameworks (e.g. TCFD)

AS A RESPONSIBLE INVESTOR

- Ethical Investment framework
- Ethics Committee established
- Focus on stewardship

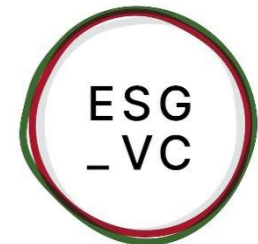
SUSTAINABLE DEVELOPMENT GOALS



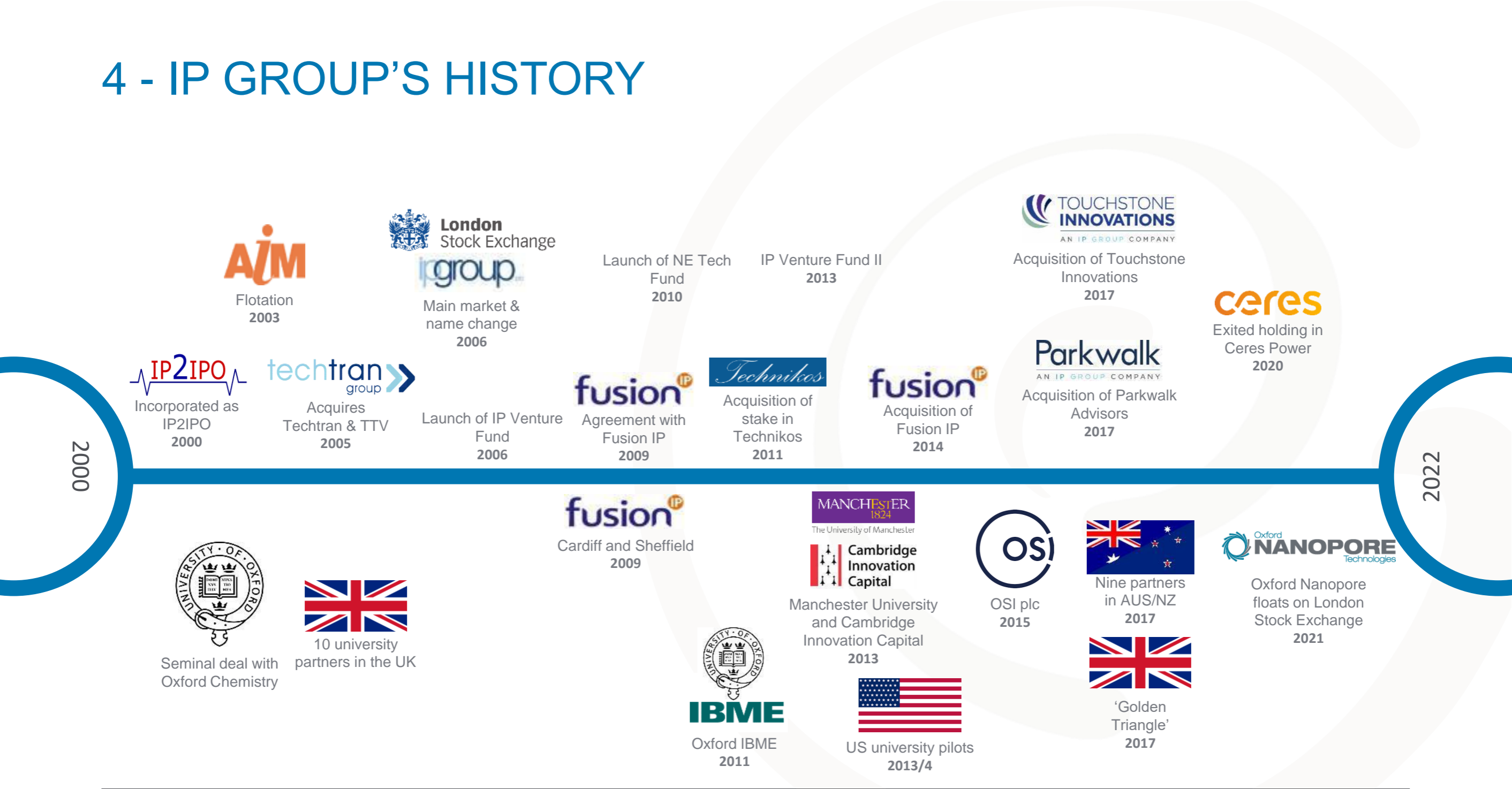
FTSE4Good



Signatory of:



4 - IP GROUP'S HISTORY



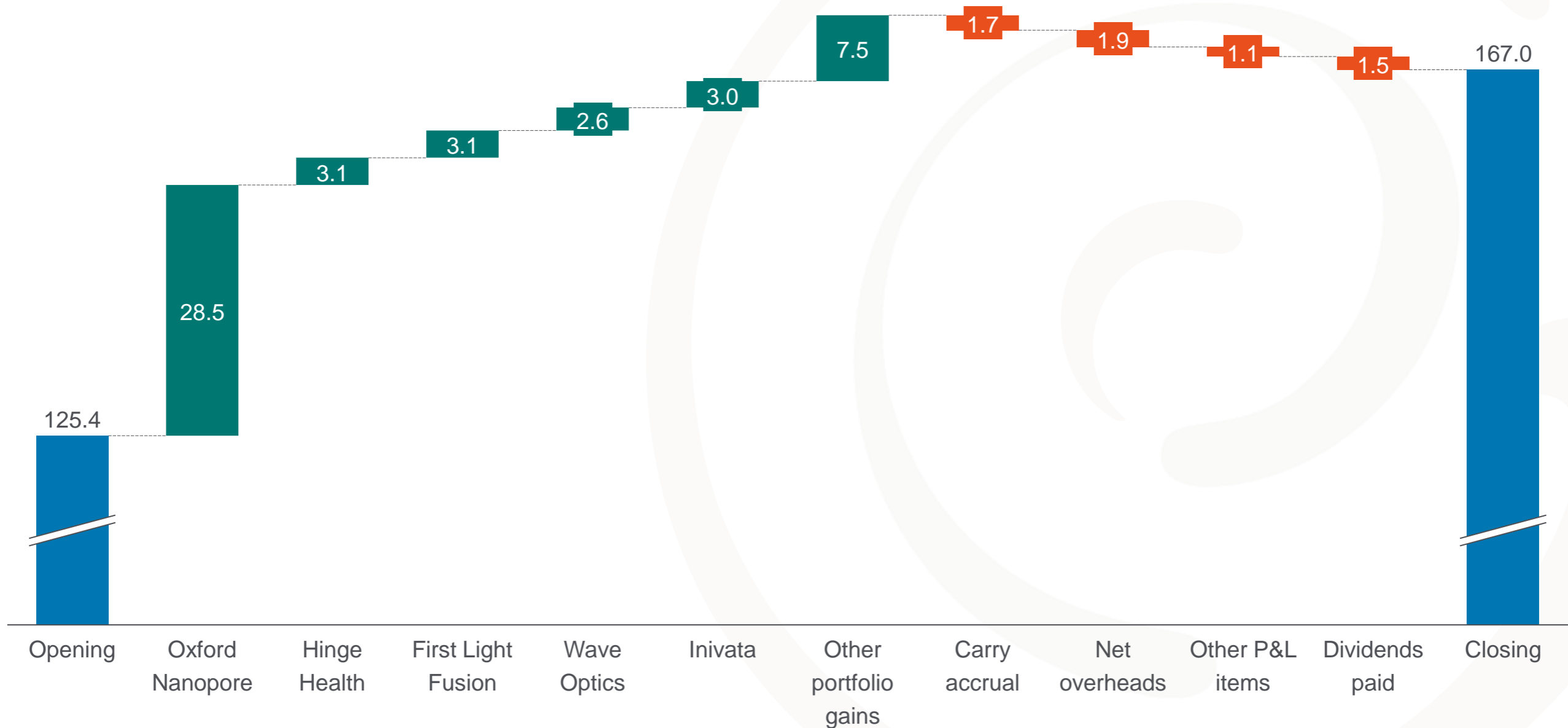
5 - SHAREHOLDER REGISTER (ABOVE 2% HOLDERS)

Shareholder	% holding
Railways Pension Scheme	15.7%
Baillie Gifford	5.5%
Liontrust Sustainable Investments	5.2%
Vanguard	4.3%
Blackrock	4.2%
Schroder Investment Management	3.6%
Imperial College	2.9%
Lansdowne Partners	2.7%
Invesco	2.5%
Odey Asset Management	2.5%
Legal & General Investment Management	2.4%
Telstra Super	2.3%
Total	c. 53%

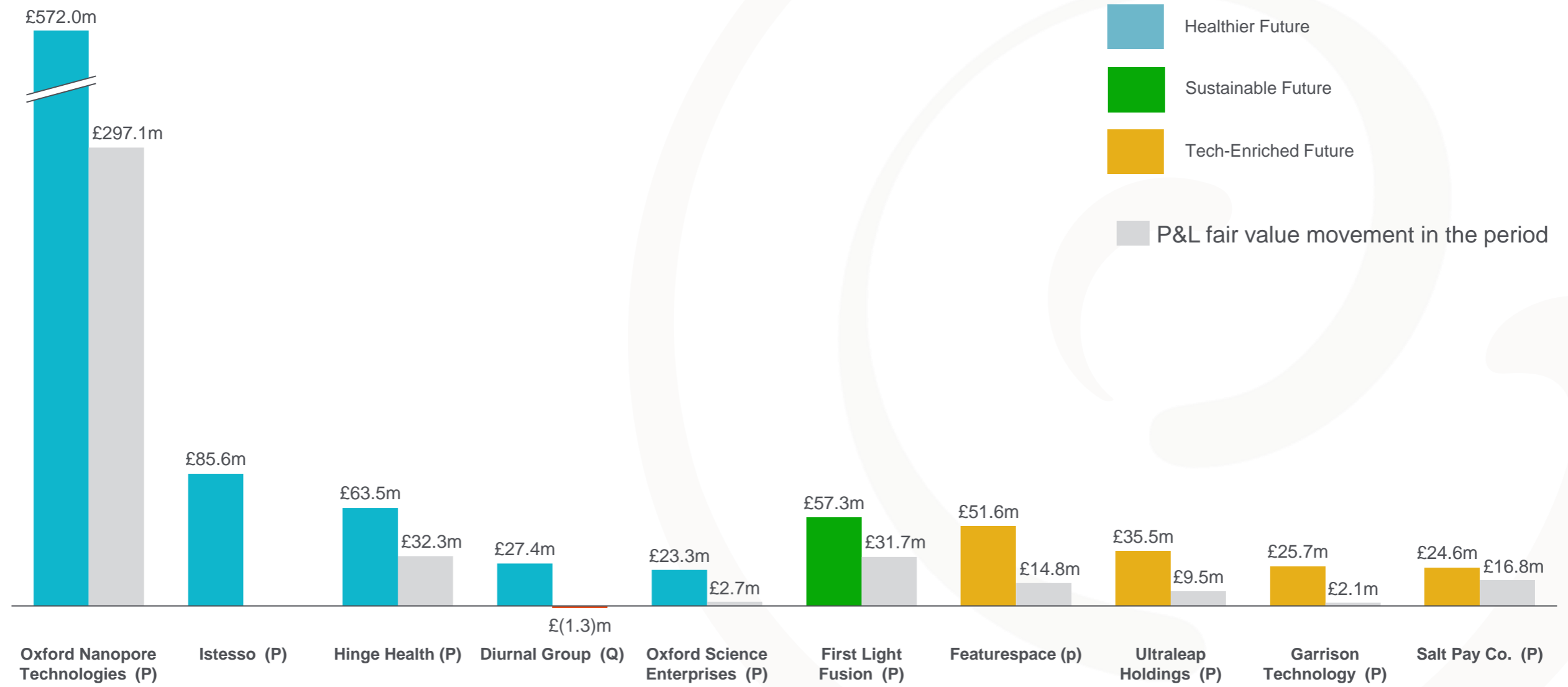
6 – SUMMARY INCOME STATEMENT

	2021 (£m)	2020 (£m)
A Core business		
Movement in portfolio value including funds	495.4	228.0
Income	13.6	6.2
Overhead (excl. incentives)	(33.1)	(27.8)
Net operating costs	(19.5)	(21.6)
Incentive costs including carry accrual (non-cash)	(19.8)	(17.2)
Consolidated portfolio company costs	(0.1)	(0.4)
Profit from core business	456.0	188.0
B Non-operating and non-recurring items		
Acquisition costs including IFRS3 charge	-	(1.2)
Net interest	(1.4)	(1.5)
Taxation	(5.3)	(0.7)
Profit after taxation	449.3	185.4

7 – NAV PER SHARE WATERFALL

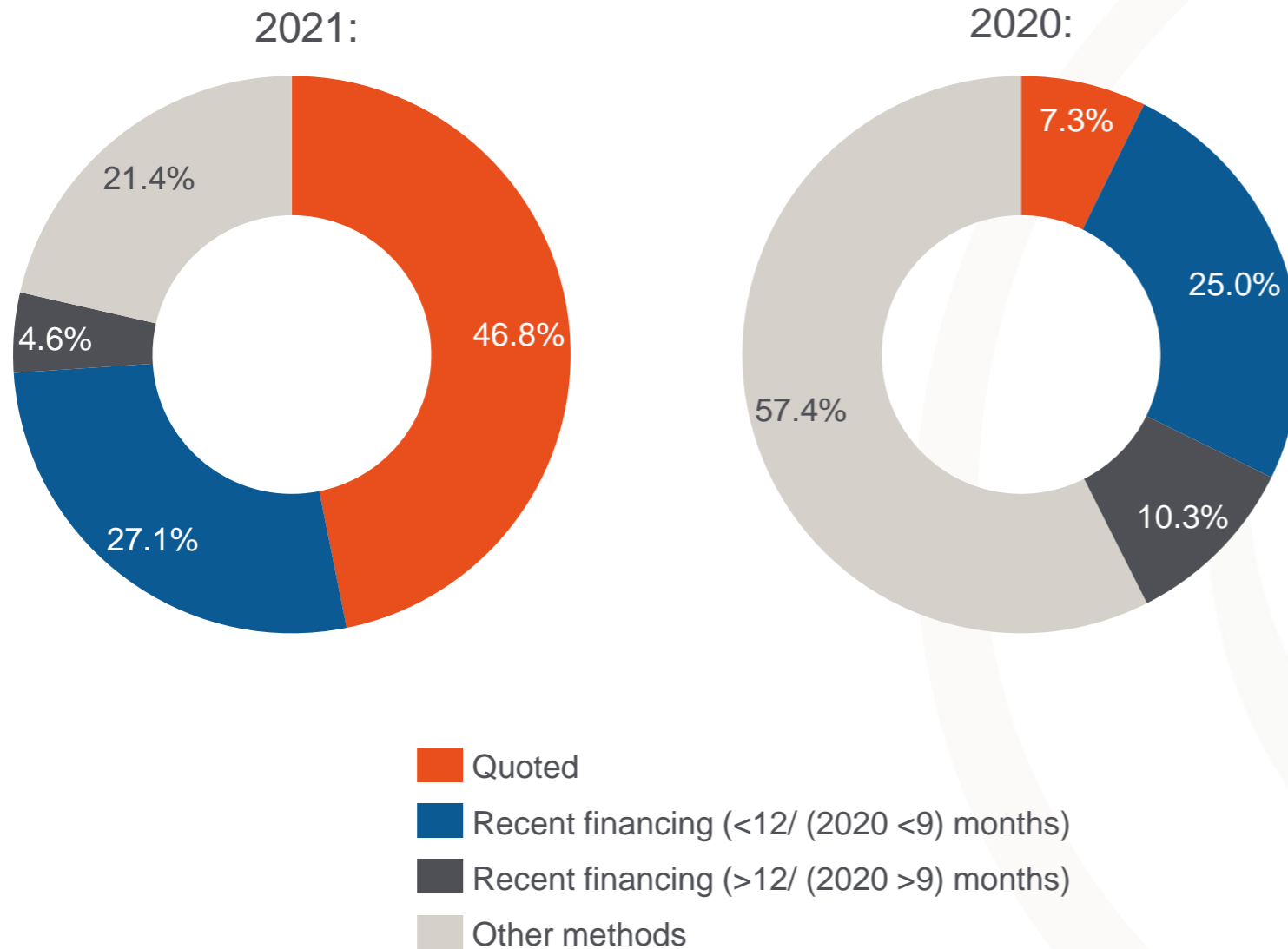


8 – TOP 10 HOLDINGS & FAIR VALUE MOVEMENT IN 2021



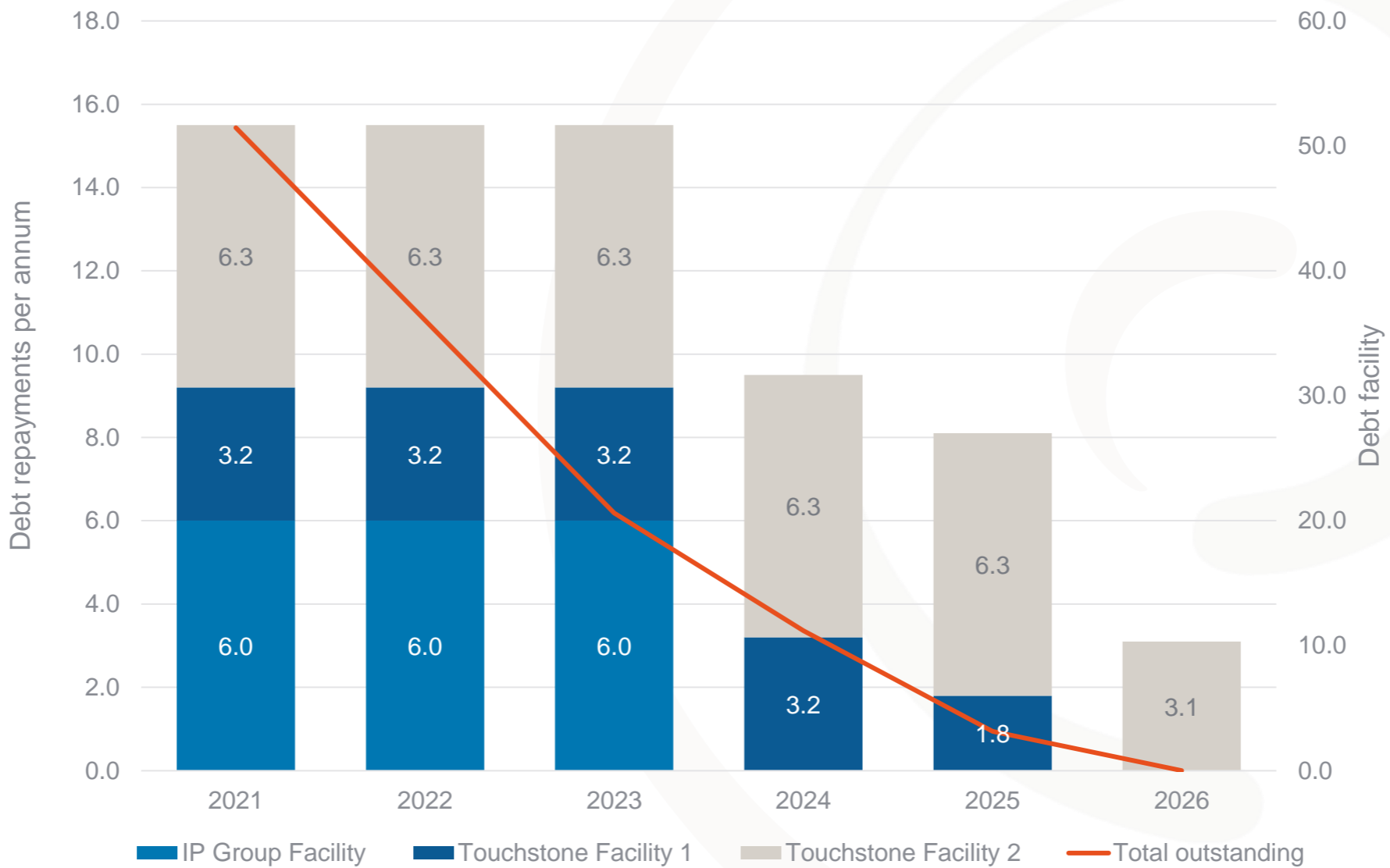
Fair value movements include both realised and unrealised movements

9 – PORTFOLIO VALUATION APPROACH



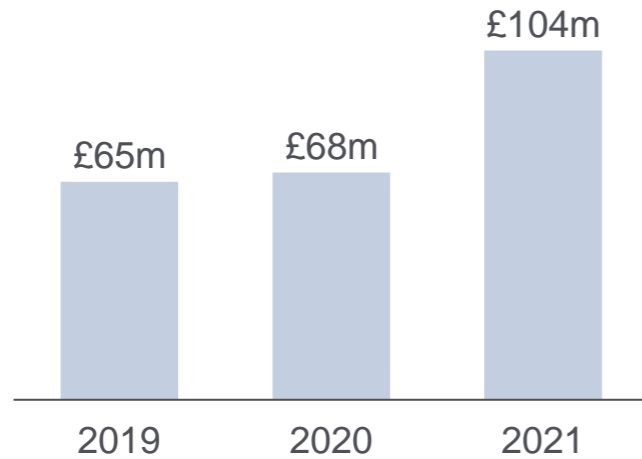
- The Group seeks to use observable market data as the primary basis for determining asset fair values where possible (quoted bid price, recent financing rounds)
- Other valuation methods include: valuations based primarily Future market/commercial events, valuations based primarily on adjusted recent financing price based on past performance and valuations based primarily on DCF or Revenue Multiples.
- The Group engages third party valuation specialists to provide valuation support where appropriate.

10 – EIB DEBT REPAYMENT PROFILE



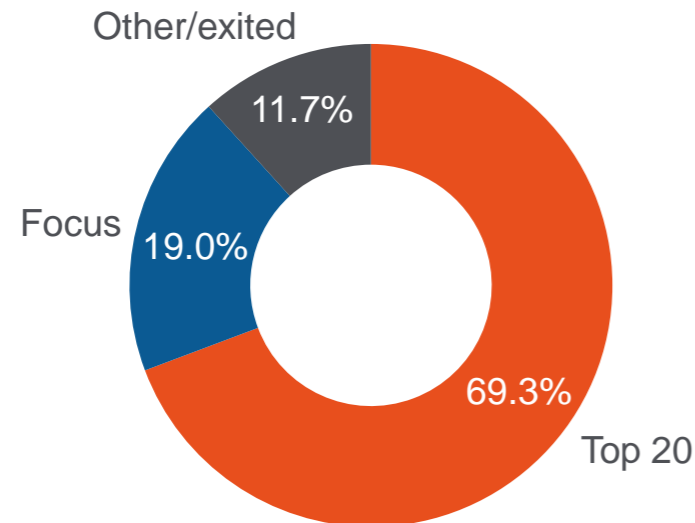
11 – PORTFOLIO INVESTMENT

Portfolio investment by year £m:

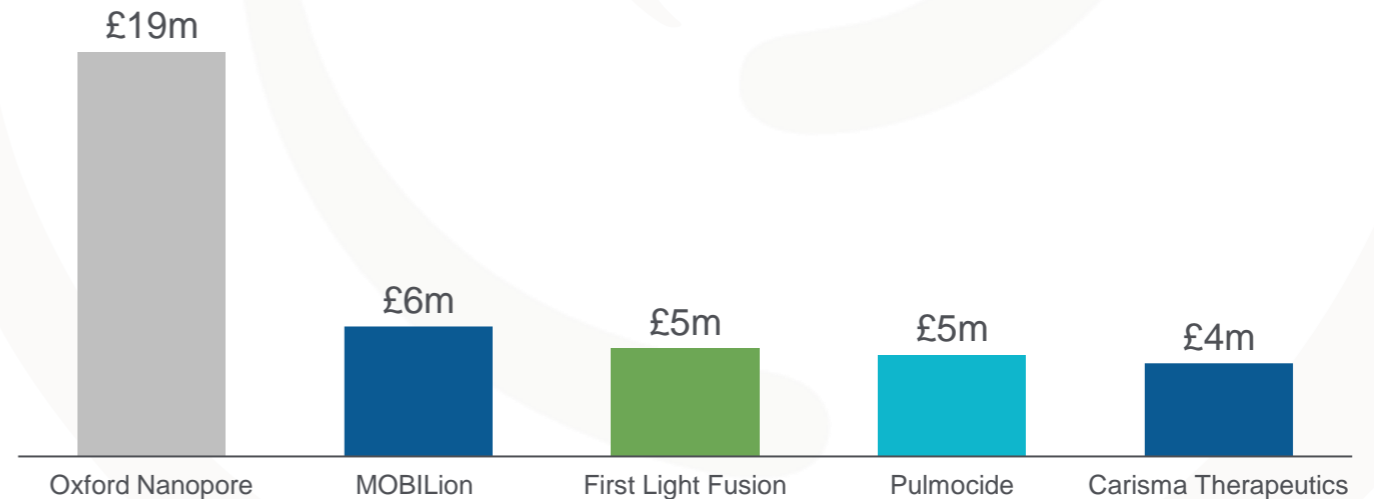


- Growing investment into portfolio
- 2021 capital focussed on Top 20 assets – will be increasingly focussed on conviction assets
- Anticipating continued growth in investment in 2022

2021 UK portfolio investment by focus £m:



5 largest 2021 investments £m:



EVOLVING GREAT IDEAS INTO WORLD-CHANGING BUSINESSES.

IP Group was set up with a mission to evolve great ideas, mainly from our partner universities, into world-changing businesses. We achieve this by systematically helping to create, build and support outstanding intellectual property-based companies.



ipgroup

**2nd Floor, 3 Pancras Square
King's Cross
London N1C 4AG**

Tel: +44 (0) 20 7444 0050

Web: www.ipgroupplc.com