

FULL YEAR RESULTS

31 December 2020

Disclaimer

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA OTHER THAN TO PERSONS TO WHOM THIS PRESENTATION CAN BE LAWFULLY DISTRIBUTED

The communication of this presentation may be restricted by law; it is not intended for distribution to, or use by any person in any jurisdiction where such distribution or use would be unlawful. Any person into whose possession any part of this presentation comes is required by IP Group plc. (the "Company") to inform himself/herself about and to observe any applicable restrictions in his/her respective jurisdiction.

This presentation is for information purposes only and does not constitute an offer of, or a solicitation to purchase or subscribe for, any securities in which such offer or solicitation is unlawful or to any person to whom it is unlawful to make such offer or solicitation. This presentation or any part of it or the fact of its distribution shall not form the basis of, or be relied on in connection with, any contract commitment or investment decision in relation thereto nor does it constitute a recommendation regarding the securities of the Company. No person must construe the information contained in this presentation as legal, business, tax or investment advice. Investors and prospective investors in the securities of the Company are required to make their own independent investigation and appraisal of the business and financial condition of the Company and the nature of the securities, and consult his/her own independent counsel, business advisor, tax advisor, investment advisor or any other authorised advisors as to the legal, business, tax, investment or any other matters pertaining to the Company and the securities of the Company.

The information contained in this presentation has been provided by the Company and other sources identified therein for the exclusive use of the intended recipient and is highly confidential. No information provided as part of this presentation may be used, copied, reproduced, in whole or part, or otherwise disseminated, directly or indirectly, by any recipient to any other person. If any part of this presentation has been received by any person in error, it should be returned to the Company immediately.

The statements contained in this presentation are made as at the date of this presentation. The distribution of this presentation shall under no circumstances imply that there shall not be a change in the Company's affairs since the date of this presentation or that the information contained in this presentation is correct as of any date subsequent to the date of this

presentation.

The Company or any member, employee, counsel, officer, director, representative, agent or affiliate of the Company does not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date of this presentation. To the extent permitted by applicable law, no representation or warranty, express or implied, is made by the Company or any member, employee, counsel, officer, director, representative, agent or affiliate of the Company as to the accuracy or completeness of any information contained in this presentation. No information contained in this presentation is, or shall be relied upon by any person as to its accuracy or completeness or as a promise or representation by the Company.

The Company expressly disclaims any and all liability that may be based on any information contained in this presentation and any errors or omissions herein. No person is authorised to give any information not contained in this presentation and any information not contained in this presentation must not be relied upon as having been authorised by or on behalf of the Company.

This presentation does not constitute an offer to sell, or a solicitation of offers to purchase or subscribe for, securities in the United States ("US"). The securities of the Company have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "Securities Act") or qualified under any applicable statutes of any state or other jurisdiction of the US, and the securities of the Company may not be offered, sold, distributed or transferred, directly or indirectly, in the US (including its territories and possessions), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act. No public offer of securities of the Company is being made in the US.

For the avoidance of doubt, this presentation is intended for distribution only to those persons that are qualified institutional buyers (within the meaning of Rule 144A under the Securities Act) and qualified purchasers (as defined in section 2(a)(51) of the US Investment Company Act 1940, as amended). This presentation and qualified purchasers (as defined in section 2(a)(51) of the US Investment Company Act 1940, as amended). This presentation does not constitute an offer document or an offer of transferable securities to the public in the United Kingdom (the "UK") to which section 85 of the Financial Services and Markets Act 2000 of the UK ("FSMA") applies and should not be considered as an advice or

recommendation that any person should subscribe for or purchase any securities of the Company.

The securities of the Company will not be offered or sold to any person in the UK except in circumstances which have not resulted and will not result in an offer to the public in the UK in contravention of section 85(1) of FSMA.

This presentation is not being distributed by, nor has it been approved for the purposes of section 21 of FSMA by, a person authorised under FSMA. This presentation is communicated only to: (i) persons outside the UK falling within Article 12 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "FPO"); or (ii) persons who are investment professionals falling within Article 19(5) of the FPO; or (iii) high net worth companies, unincorporated associations and other persons falling within Article 49(2)(a) to (d) of the FPO.

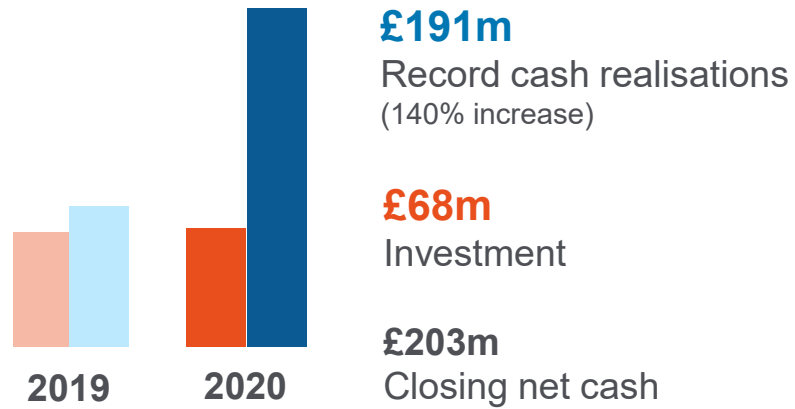
Nothing contained in this presentation shall be deemed to be a profit forecast. This presentation may contain certain forward-looking statements, beliefs or opinions with respect of the financial condition and business operations of the Company as well as certain plans and objectives of the Company. By their nature, forward-looking statements involve risk and uncertainty, because they depend on circumstances and events that may or may not occur in the future. Past performance of the Company cannot be relied on as a guide to future performance, and any actual results and developments may differ materially from those expressed in or implied by such forward-looking statements. The Company can give no assurance that such expectations will prove to have been correct and the Company therefore cautions any person not to place undue reliance on these forward-looking statements which speak only as at the date of this presentation.

Contents

- 1 **Overview**
- 2 **Purpose, vision & strategy**
- 3 **Results**
- 4 **Portfolio review**
- 5 **Summary**

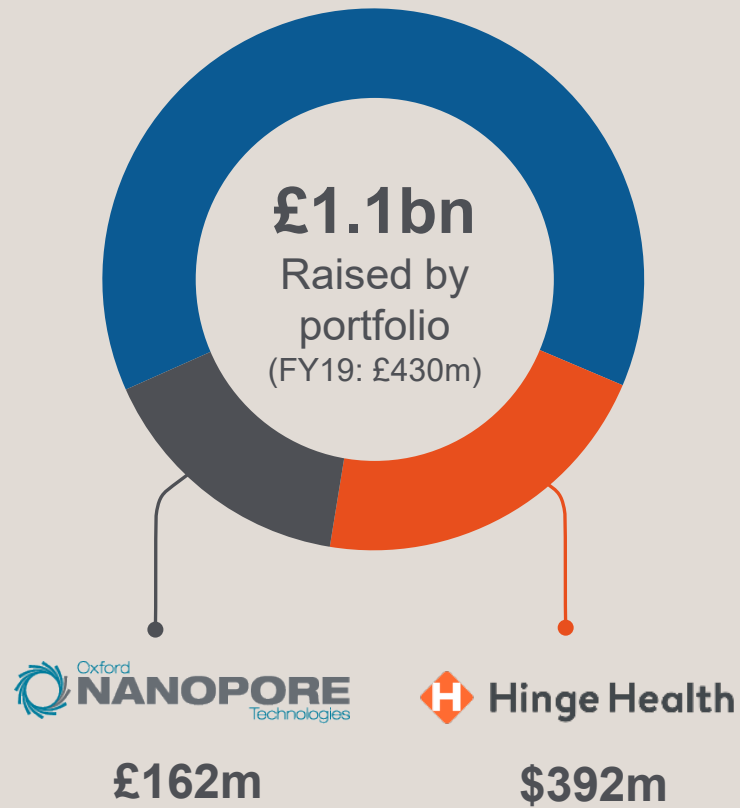
Overview

RECORD FINANCIALS



Maiden dividend
of 1pps

PORTFOLIO



£128m exit, 7x cost

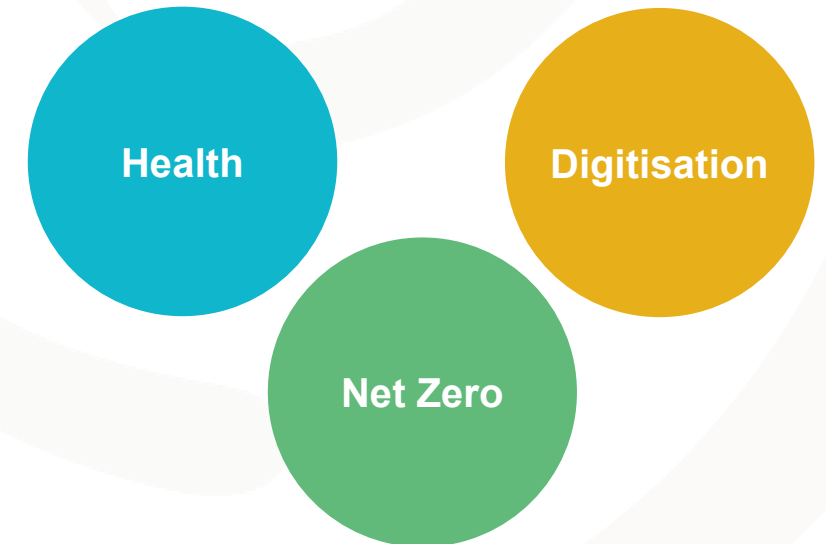
Three unicorns created to date

OUTLOOK FOR 2021



Continued strong activity in portfolio

Well positioned to benefit from structural growth themes





02

Purpose, vision & strategy

Evolving GREAT IDEAS into WORLD-CHANGING businesses

Purpose, vision and strategy



PURPOSE



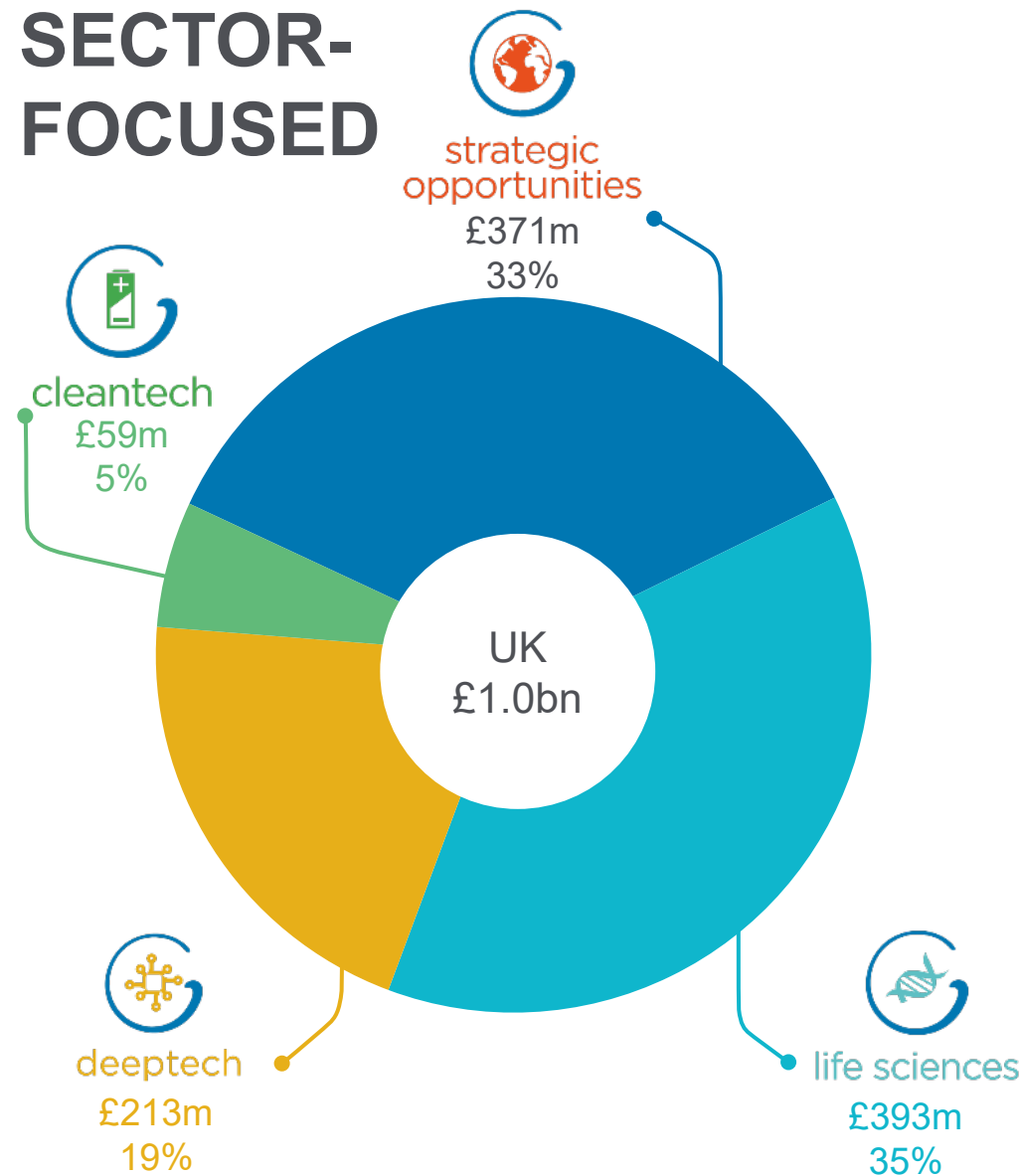
VISION



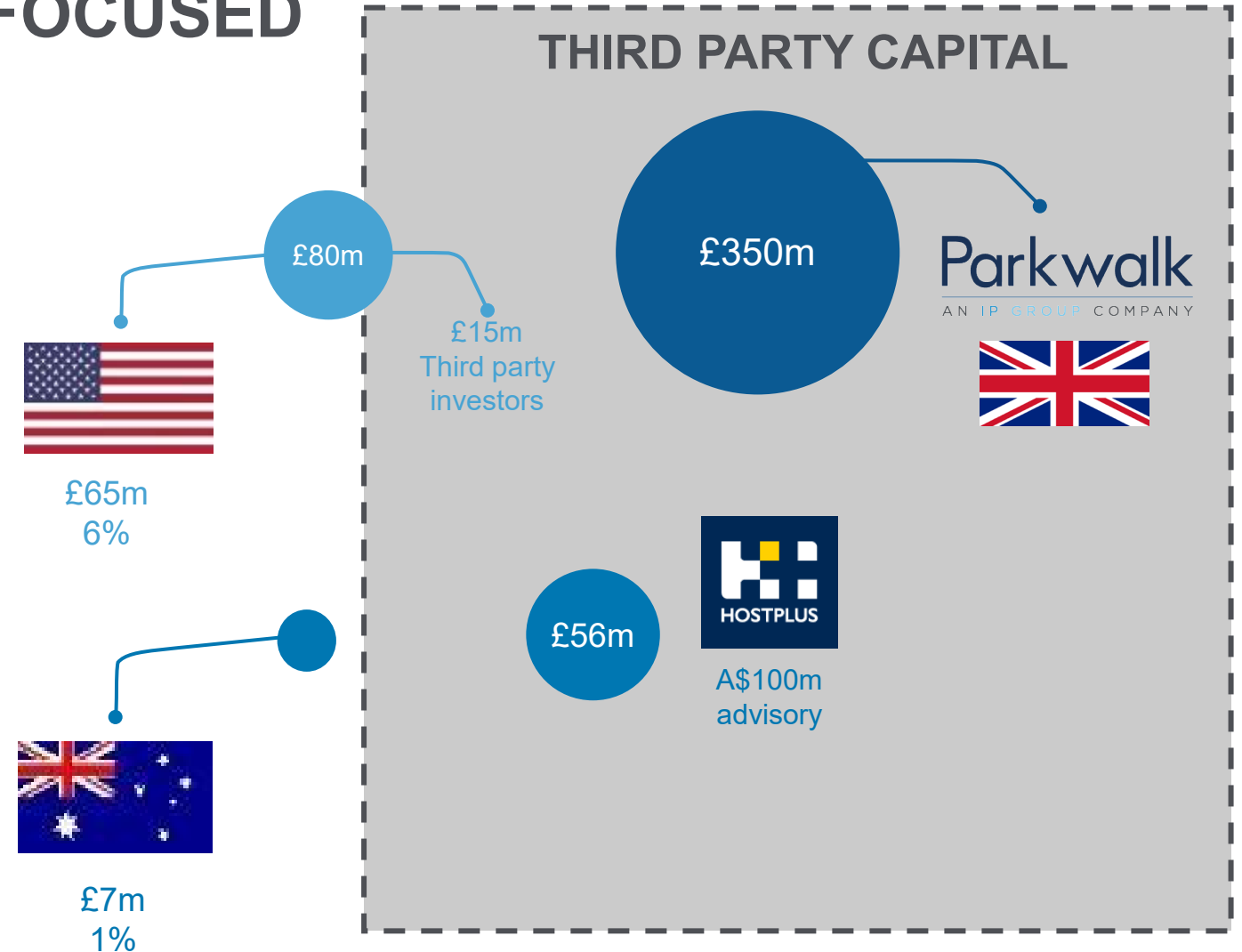
STRATEGY

Group overview

SECTOR-FOCUSED



COUNTRY-FOCUSED



Graphics not to scale

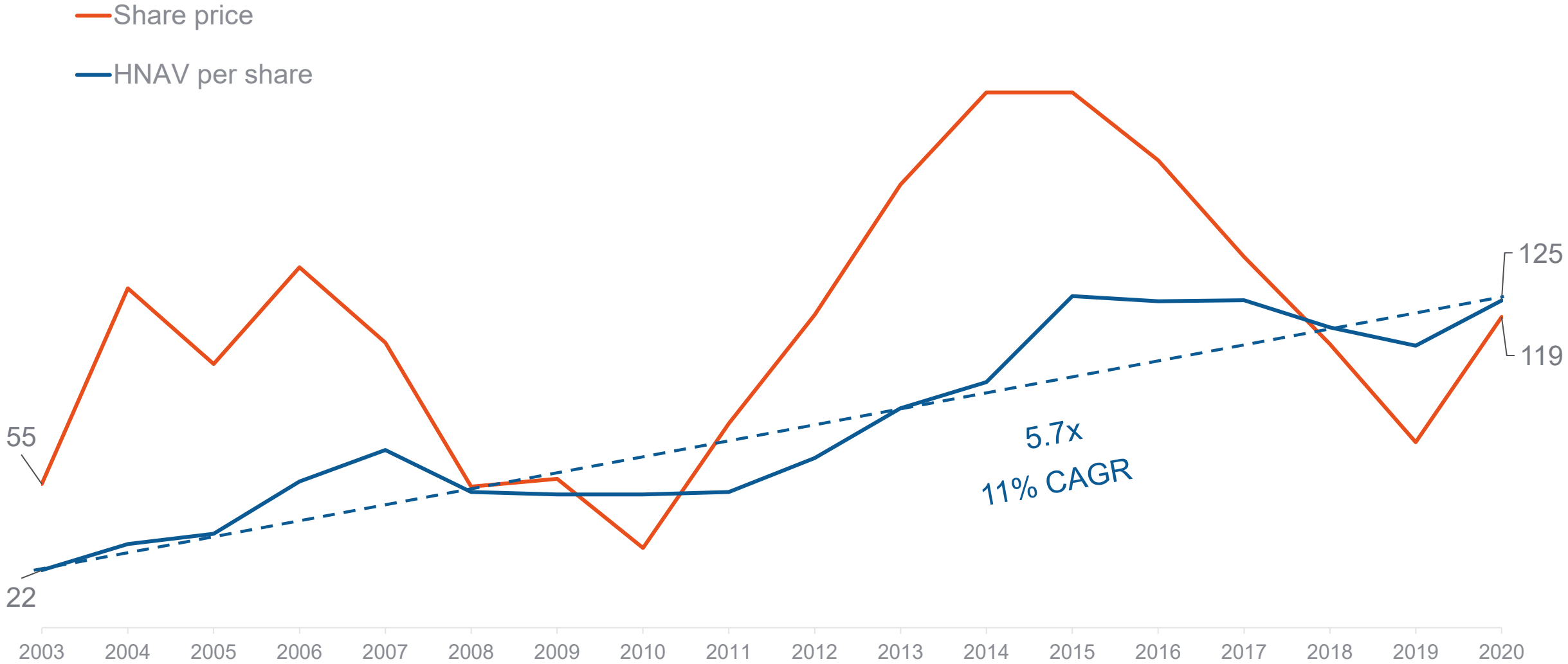
%s reflect proportion of £1.1bn portfolio value attributable to shareholders. See appendix for portfolio reconciliation

20 years of impact investing

SUSTAINABLE DEVELOPMENT GOALS

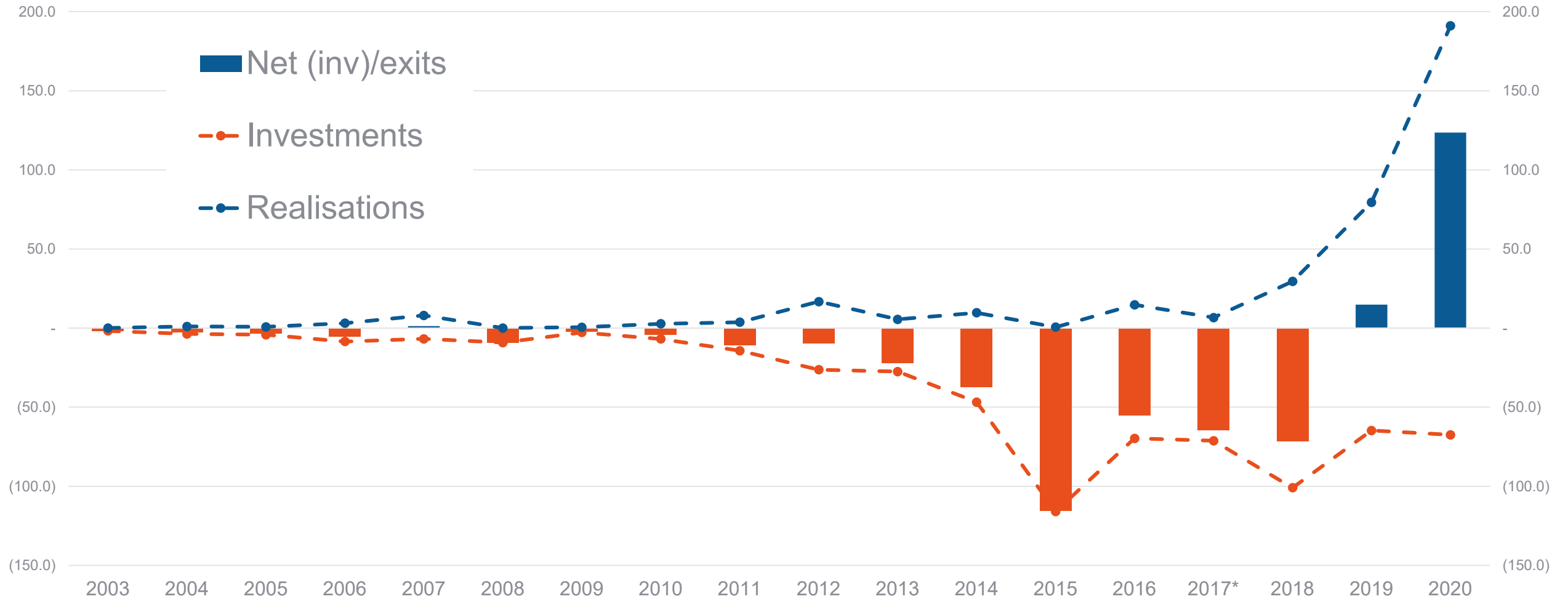


Long-term trends in HNAV/share and share price



'Hard' NAV or HNAV reflects Net Assets/Total Equity less goodwill and intangibles
 Data points as at 31 December for all years other than 2020, which reflects closing share price at 9 March 2021, and 2003 share price, which reflects the Oct 2003 IPO issue price.

Long-term trends in portfolio investment/divestment



* In addition, in 2017, IP Group acquired £315m net portfolio value through the all-paper acquisition of Touchstone Innovations plc

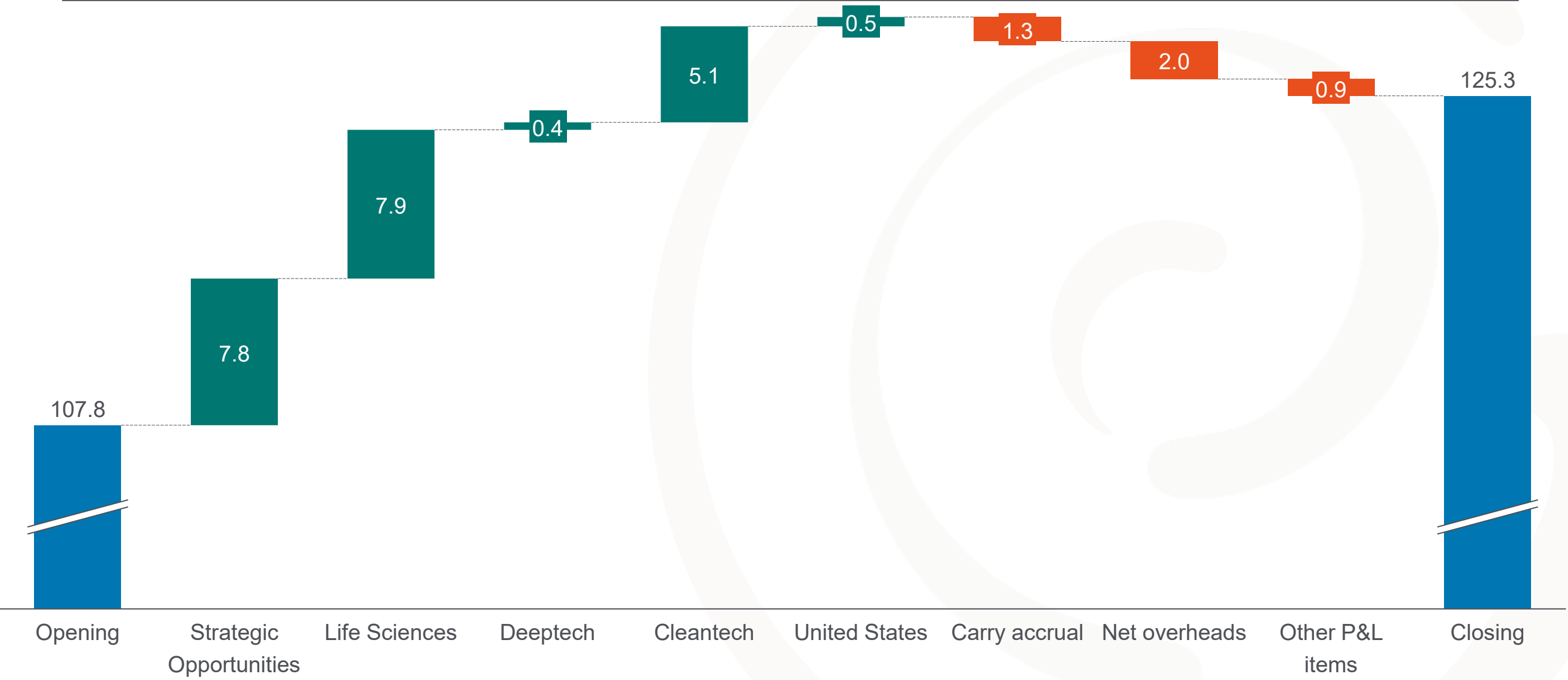


03

Results

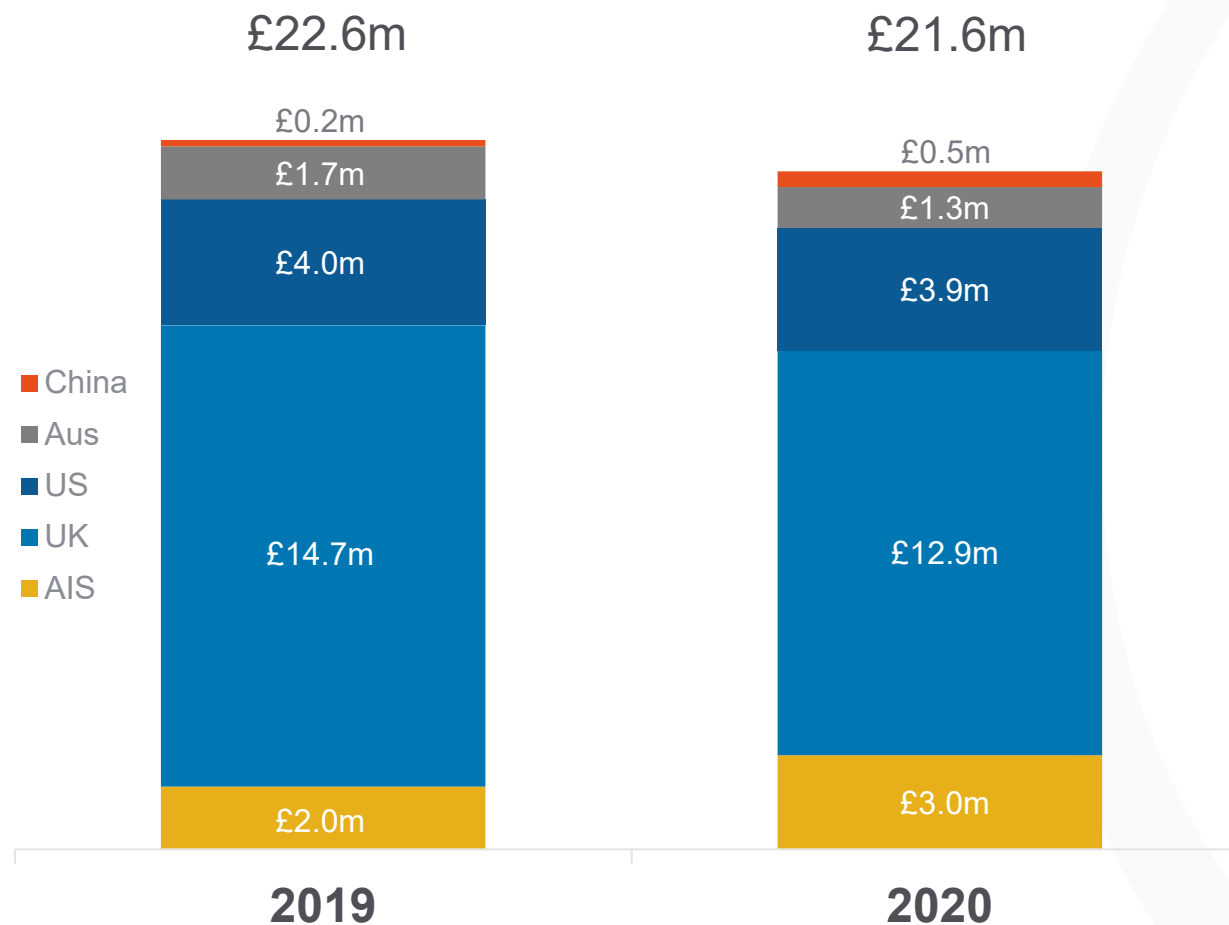
Evolving GREAT IDEAS into WORLD-CHANGING businesses

Results: HNAV per share waterfall

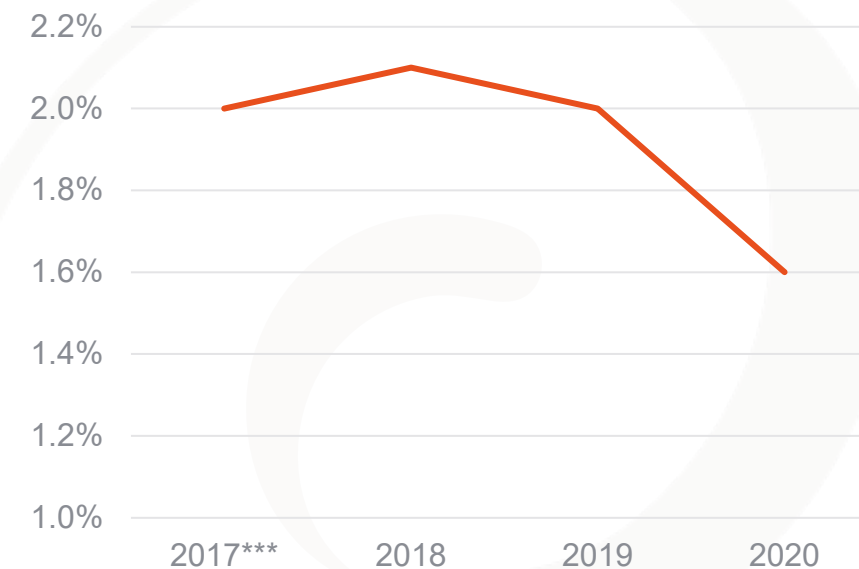


Results: net overheads**

Net overheads Year on Year Comparison:



Net overheads as % Hard NAV*:



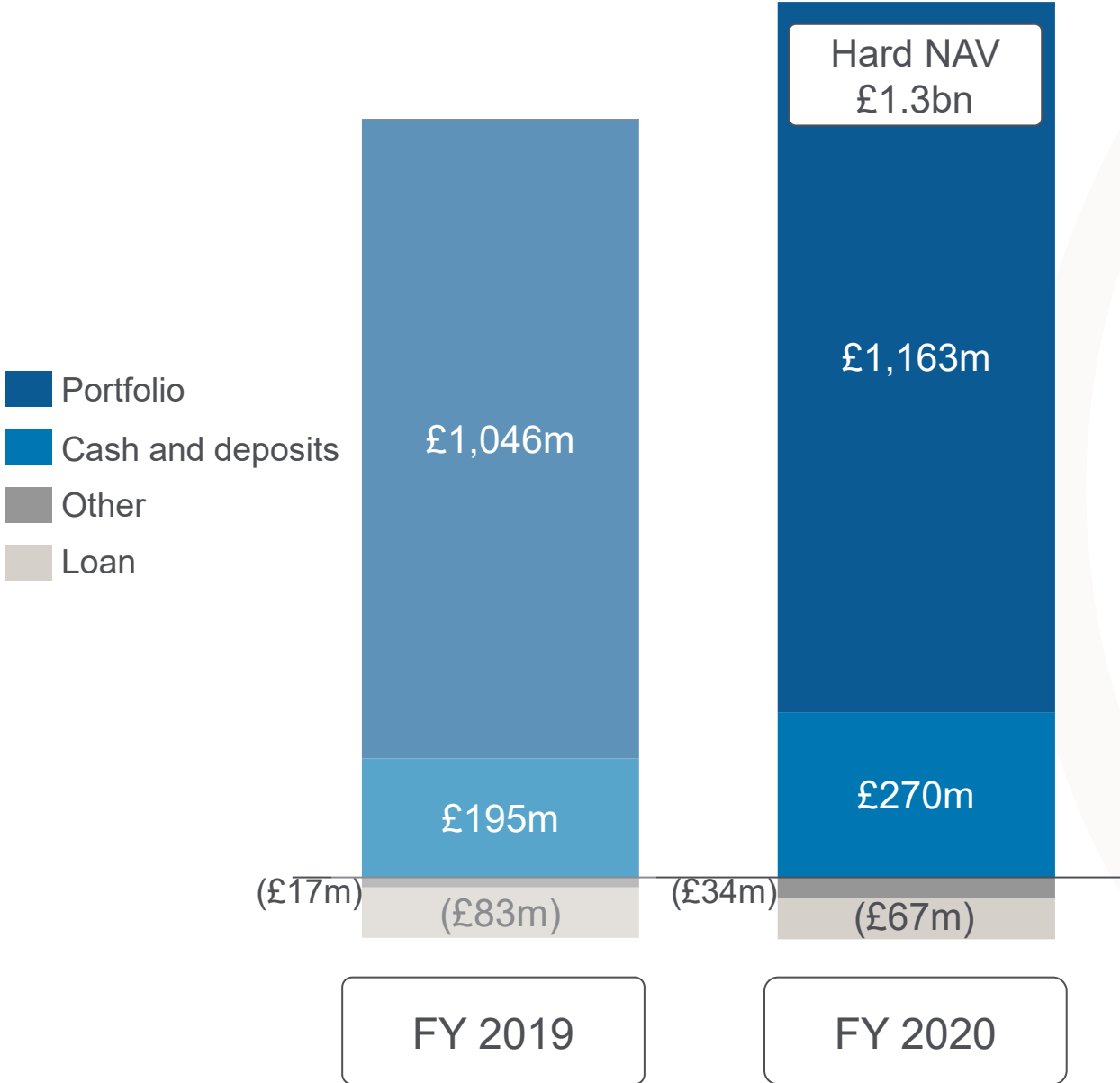
	2019	2020
UK	1.5%	1.2%
US	7.6%	6.9%
Australia	55.6%	22.7%
Total	2.0%	1.6%

* Net operating costs as a % of closing Hard NAV by business unit/total

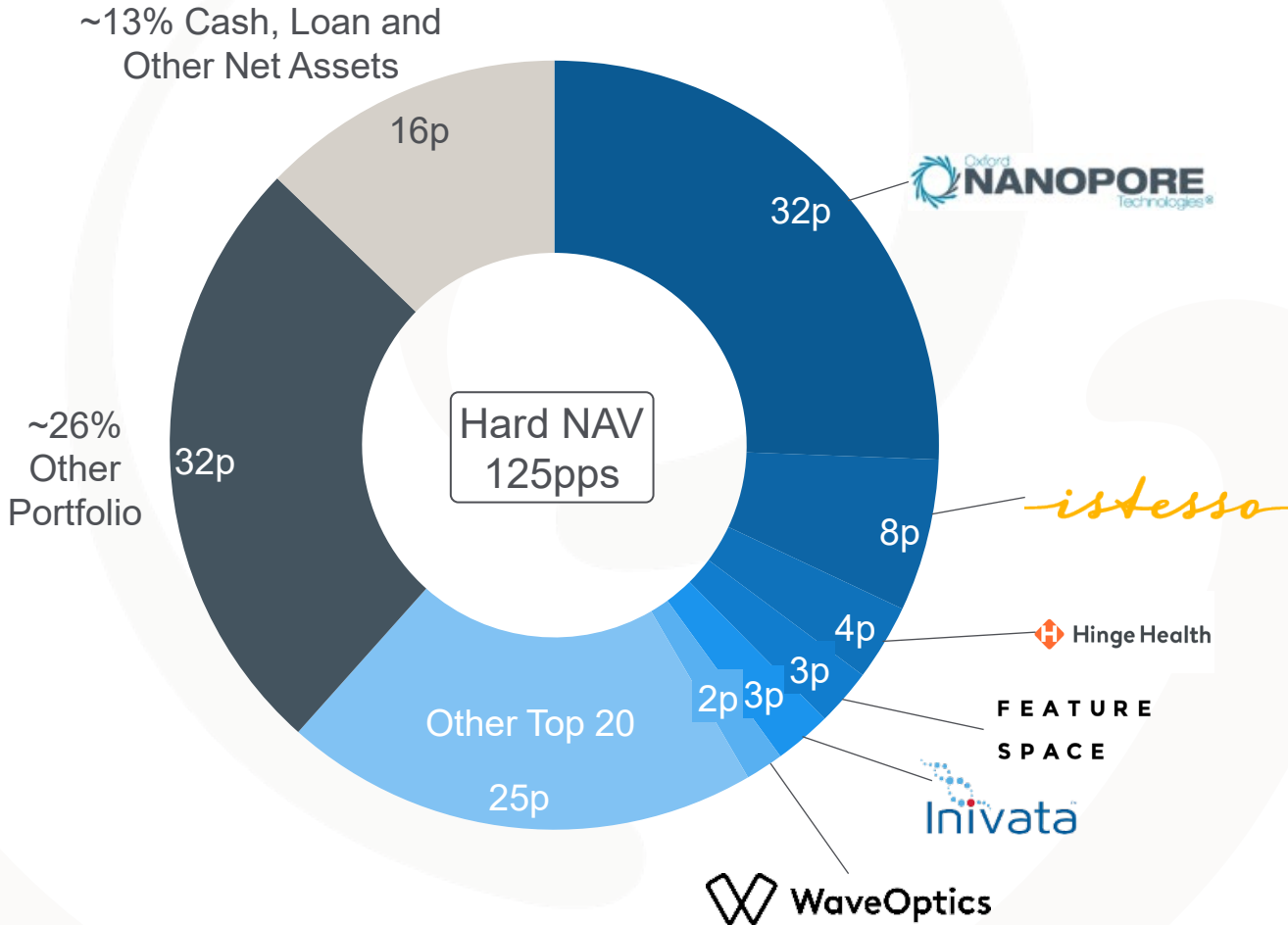
** Reflects other income less other administrative expenses excluding consolidated portfolio company costs and IFRS3 acquisition costs.

*** Includes indicative pre acquisition costs for Touchstone

Results: net assets

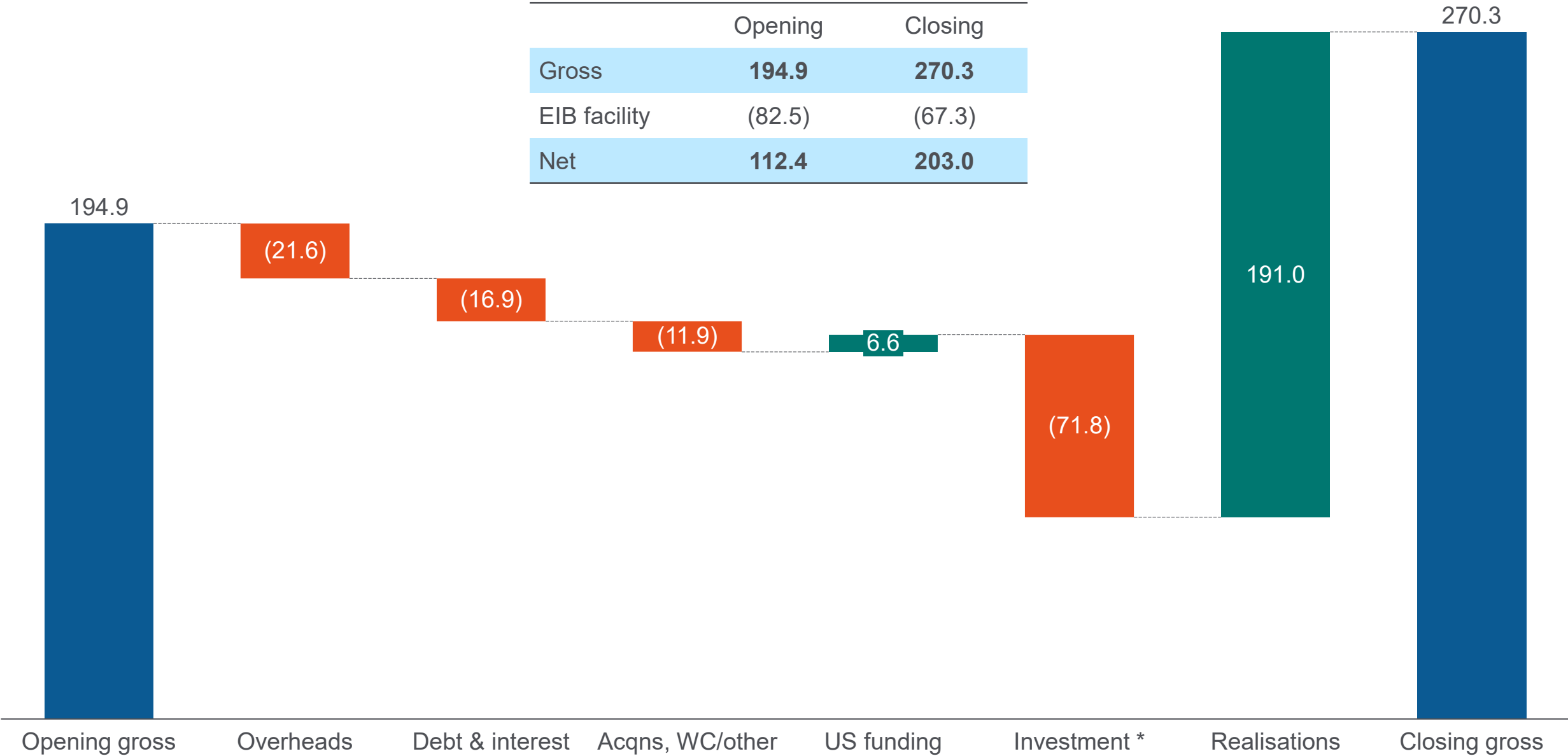


What's in a share?



Results: cash flows

	Opening	Closing
Gross	194.9	270.3
EIB facility	(82.5)	(67.3)
Net	112.4	203.0



* Includes fund investment

Capital allocation framework

ORGANIC GROWTH

Allocate capital to achieve:

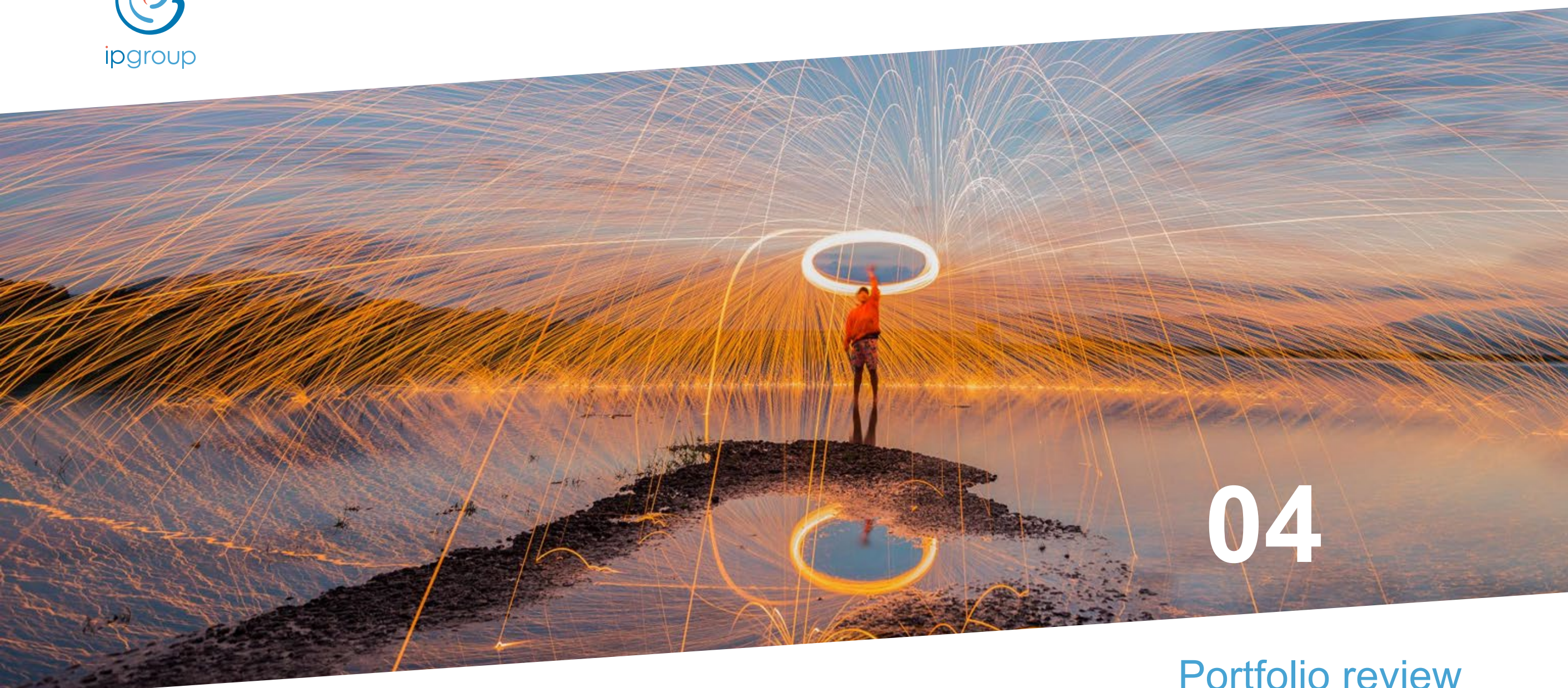
- impact alongside attractive financial returns
- appropriate diversification across structural growth themes and geographies

MANAGE GEARING

- Group primarily equity funded but use appropriate debt
- Ensure servicing requirements (currently <£20m per annum) and covenants met at all times

RETURNS TO SHAREHOLDERS

- Significant steps taken towards cashflow sustainability
- Dividend policy introduced as minor component of TSR
- Return of any excess capital to be considered as part of framework

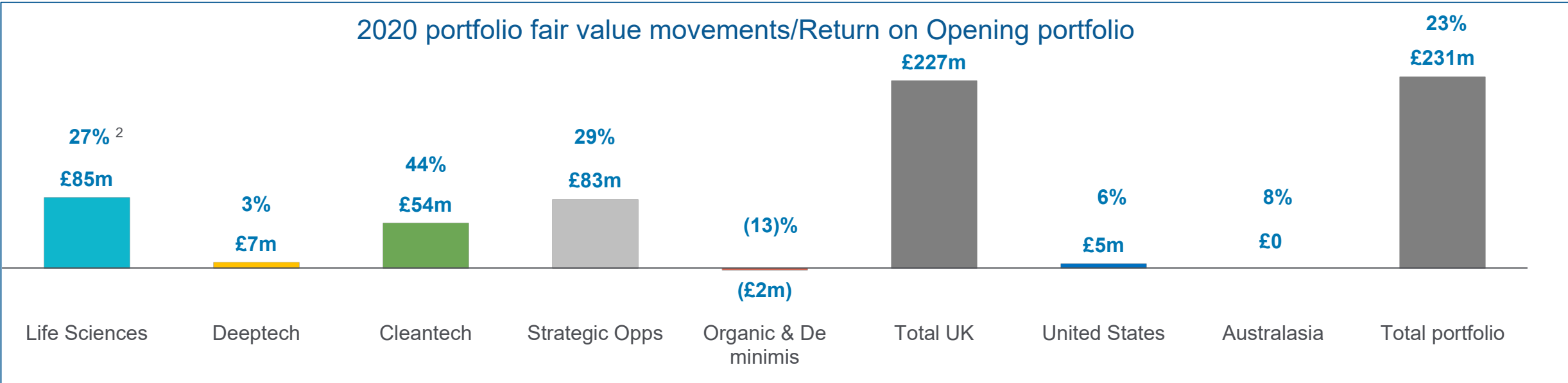
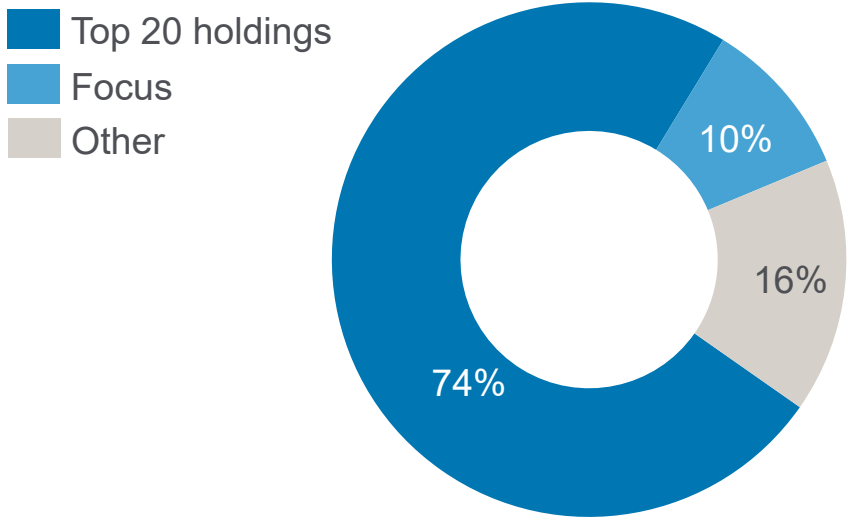
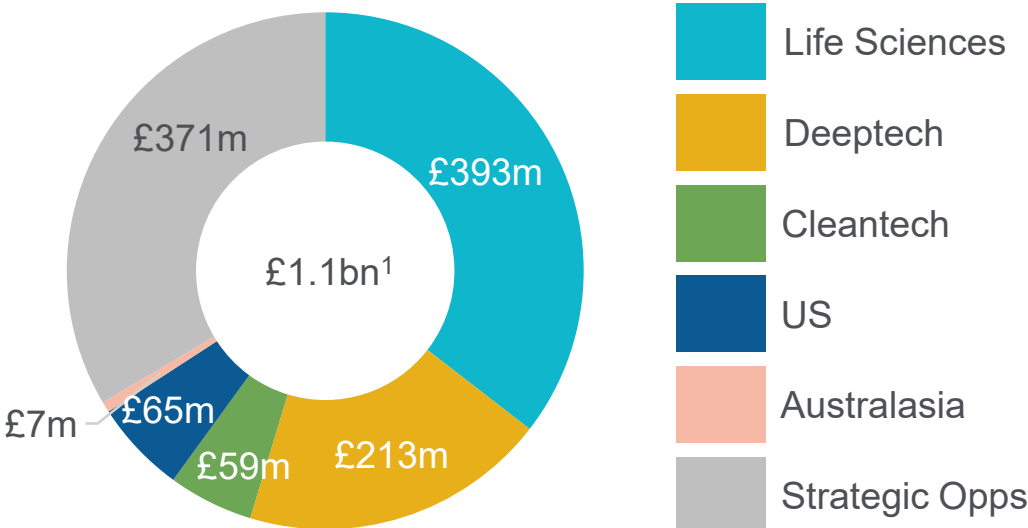


04

Portfolio review

Evolving GREAT IDEAS into WORLD-CHANGING businesses

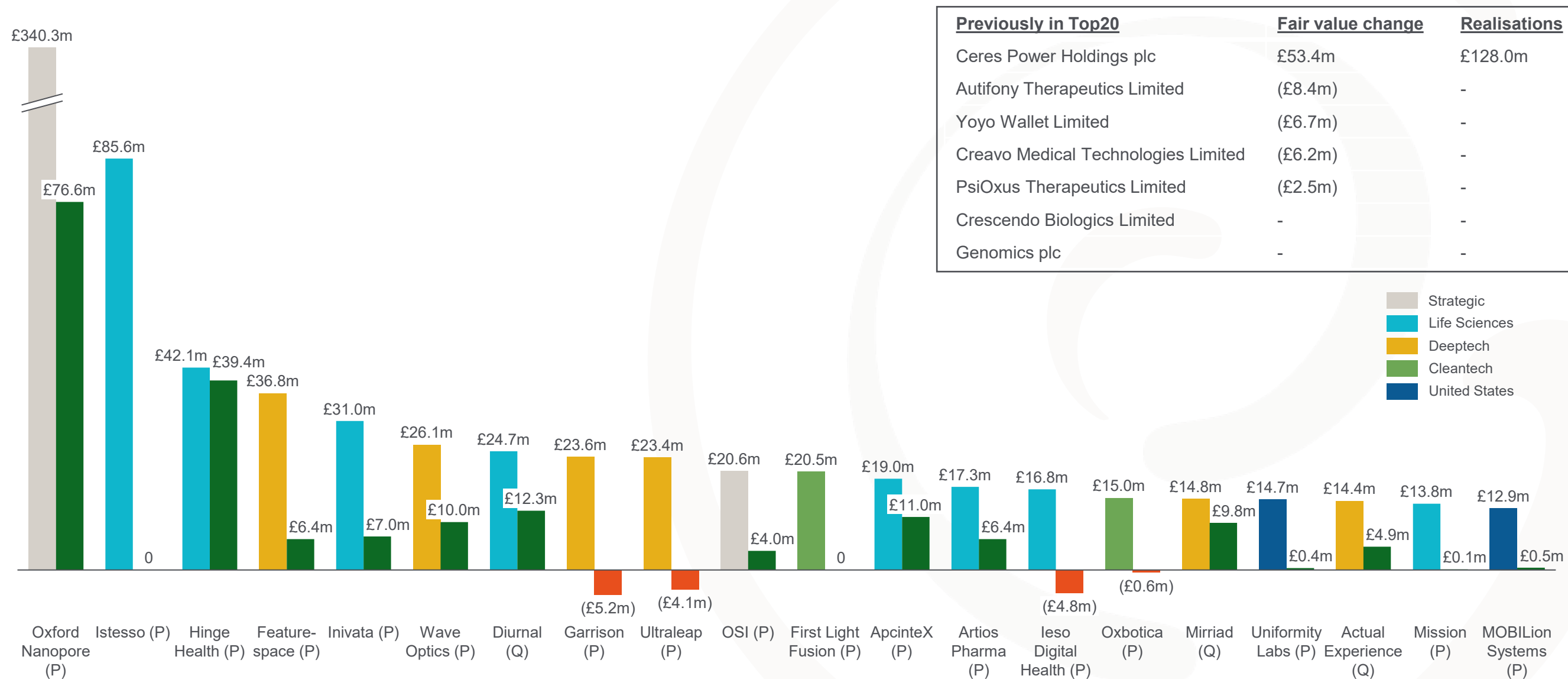
Portfolio performance summary



¹ £1,1bn reflects portfolio value attributable to shareholders. See appendix for portfolio reconciliation

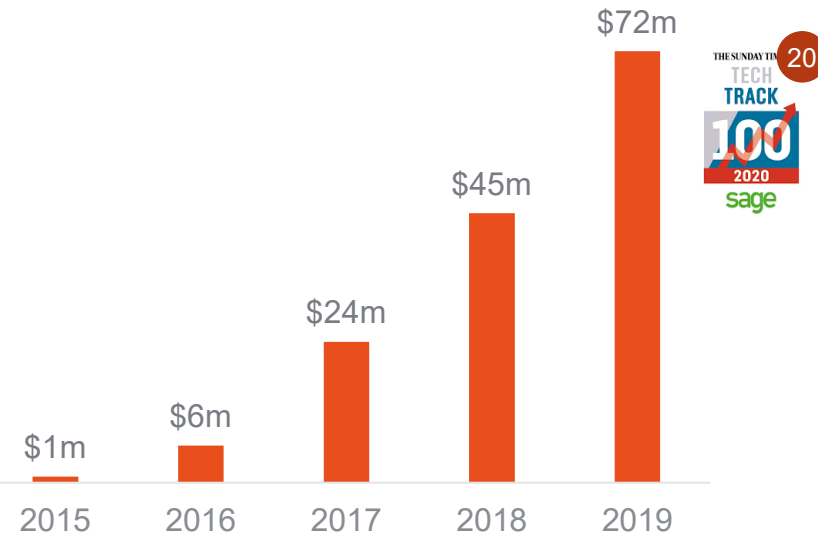
² Percentages reflect simple return on opening portfolio value

Top 20 Holdings & fair value movement in 2020



Oxford Nanopore Technologies

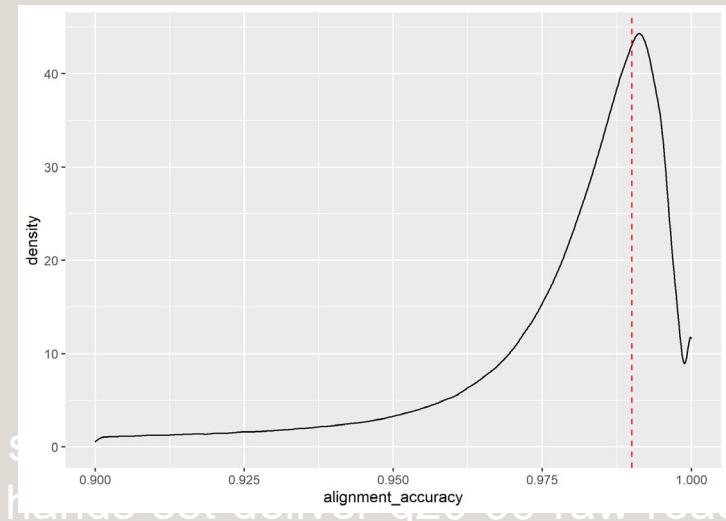
Strong growth continues



- Strong, five year revenue growth
- ‘Revenues in line...’ 9 Oct 2020
- ‘Significant’ year-on-year growth targeted

Source: Oxford Nanopore audited financial statements stated at constant 1.38 \$:£ exchange rate

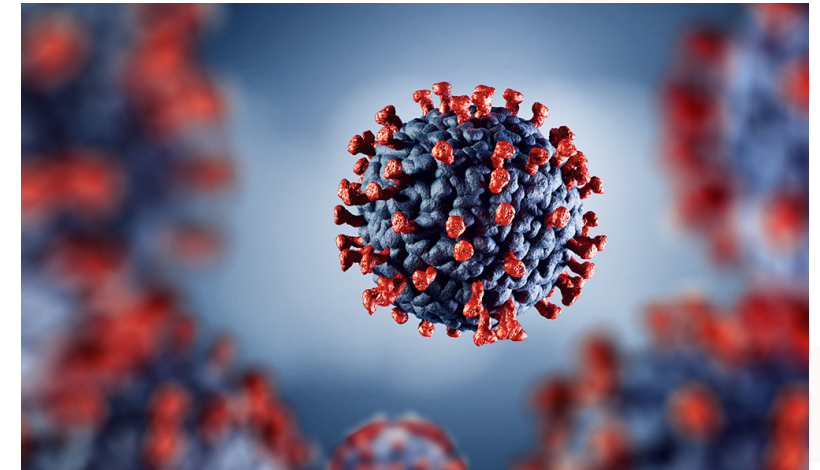
Significant technical progress



- Q20+ on raw, single-molecule, single-pass

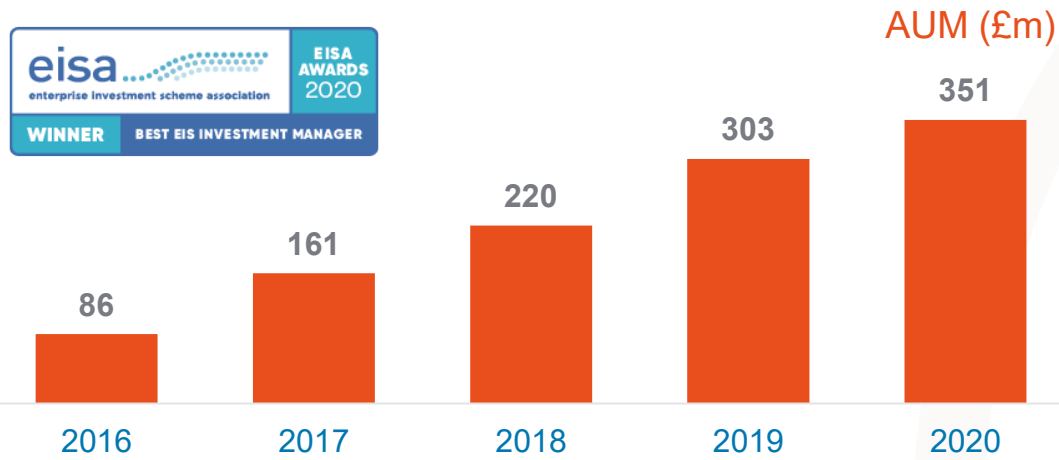
<https://nanoporetech.com/about-us/news/new-nanopore-sequencing-chemistry-developers-hands-set-deliver-q20-99-raw-read>

SARS-COV-2 test cases

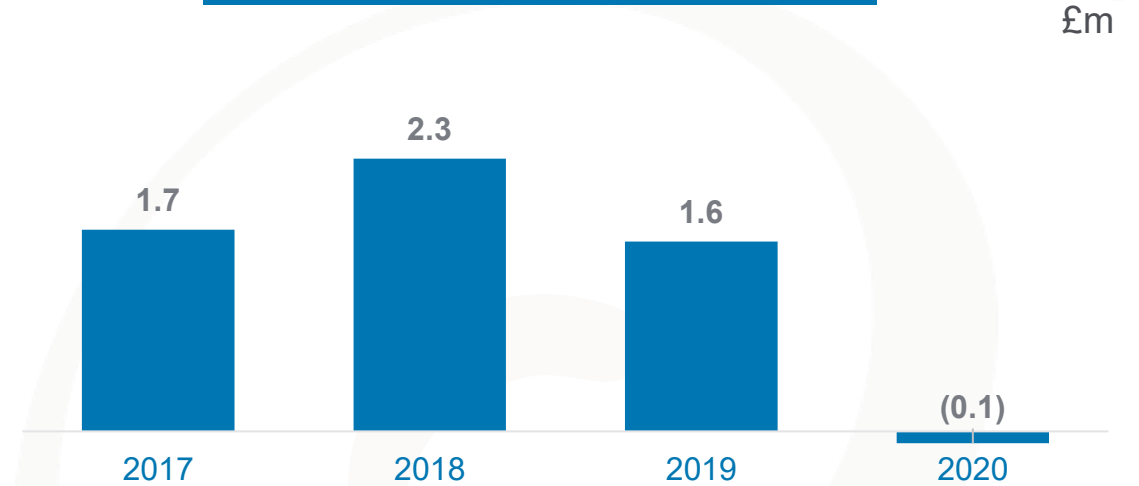


- Variant analysis
- LamPORE diagnostic platform

Market-leading growth EIS manager



Contributor to IP Group*



Exciting pipeline of opportunities



Electric Motors & Controllers for autos

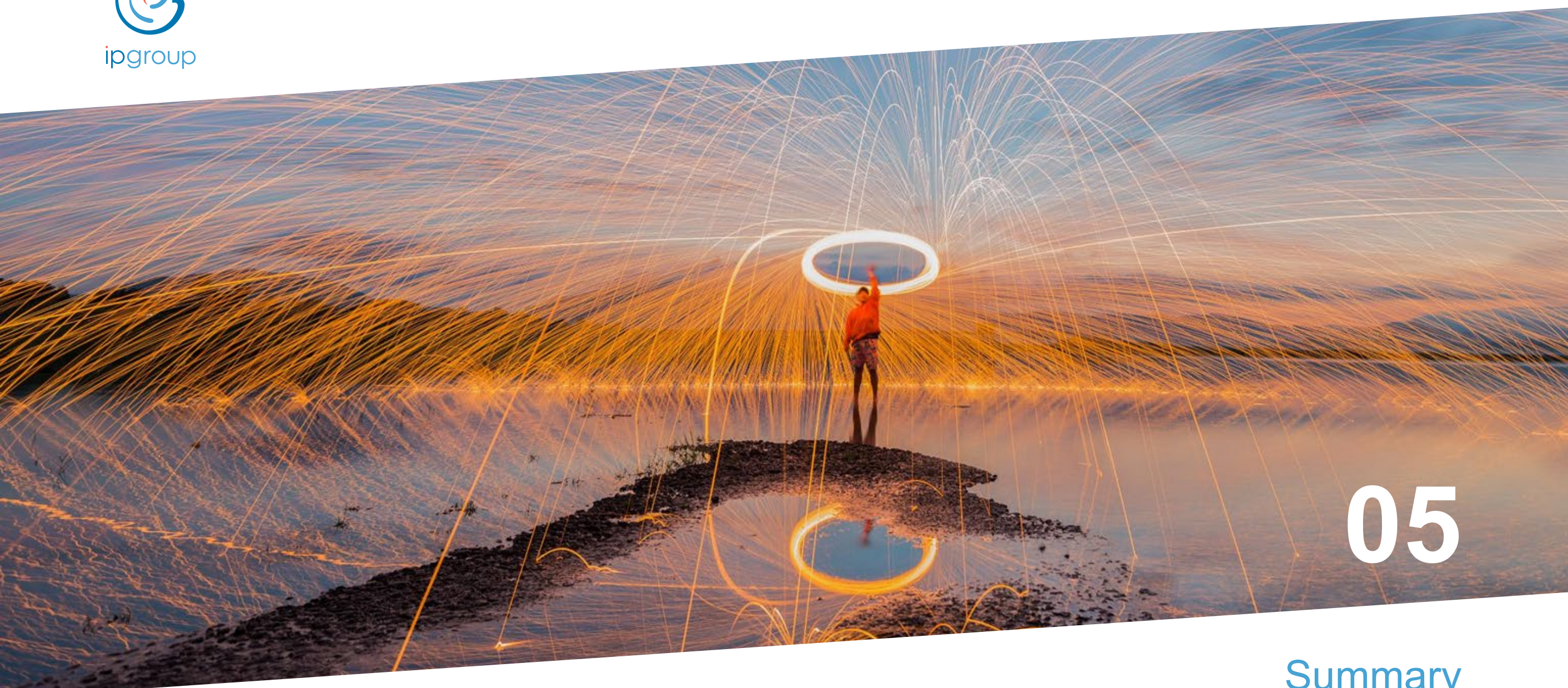


Genetic data analysis & platform



First institutional fund planned

* Reflects net contribution to Group Net Overheads, comprising primarily fund management and performance fees less operating expenses



05

Summary

Evolving GREAT IDEAS into WORLD-CHANGING businesses

Summary

Record financials

- £190m return on HNAV and £191m of cash exits
- £1.3bn HNAV including £270m gross cash
- Maiden dividend of 1pps

Impact-focused, maturing portfolio

- Highly aligned to SDGs
- Portfolio companies raised £1.1bn, three 'unicorns' now created

2021 outlook

- Good progress to date and well-positioned to benefit from structural growth themes

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



Mike Townend
Chief Investment Officer

Capital markets background
Previously MD European Equities, Lehman



Dr Elaine Sullivan
Non-executive Director

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



Alan Aubrey
Chief Executive Officer

Corporate finance background (partner KPMG)
Deep expertise of building technology businesses
Co-founder Techtran Group Ltd; 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



Heejae Chae
Non-executive Director

CEO of AIM-listed Scapa Group plc, a global supplier of products for healthcare and industrial markets



David Baynes
Chief Operating Officer

Finance and venture background
Co-founder Fusion IP plc.; bought by IP Group



Professor David Begg
Senior Independent Director

Professor of Economics, Imperial College London.
Former Economic policy advisor to the Bank of England and Visiting Professor at M.I.T.



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.



Greg Smith
Chief Financial Officer

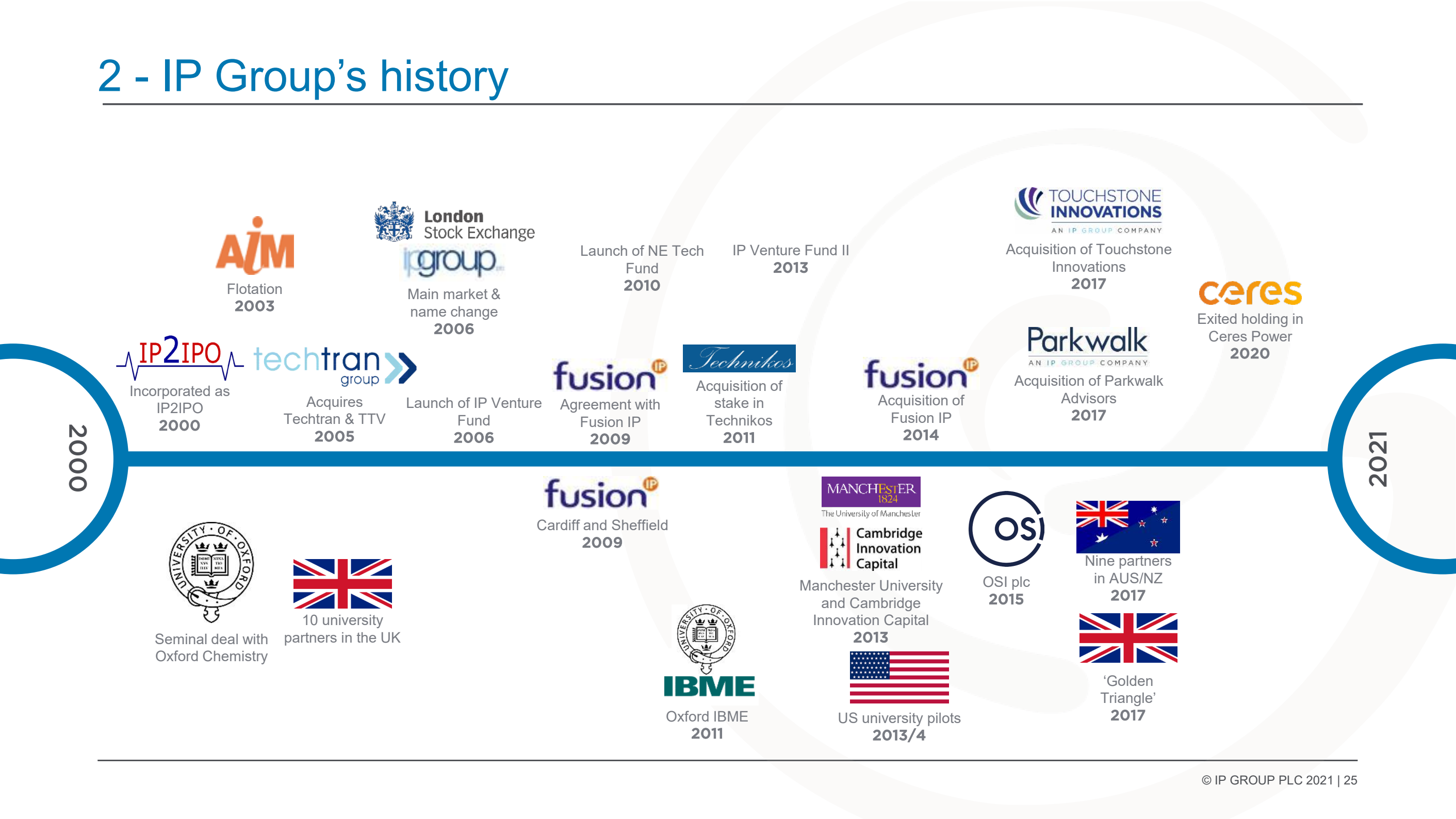
Accounting background
Previously KPMG and \$3bn fund of hedge funds



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.

2 - IP Group's history



2000

2021

AJM
Flotation
2003

London Stock Exchange
ipgroup
Main market & name change
2006

Launch of NE Tech Fund
2010

IP Venture Fund II
2013

TOUCHSTONE INNOVATIONS
AN IP GROUP COMPANY
Acquisition of Touchstone Innovations
2017

ceres
Exited holding in Ceres Power
2020

IP2IPO
Incorporated as IP2IPO
2000

techtran group
Acquires Techtran & TTV
2005

Launch of IP Venture Fund
2006

fusion IP
Agreement with Fusion IP
2009

Technikos
Acquisition of stake in Technikos
2011

fusion IP
Acquisition of Fusion IP
2014

Parkwalk
AN IP GROUP COMPANY
Acquisition of Parkwalk Advisors
2017



Seminal deal with Oxford Chemistry



10 university partners in the UK

fusion IP
Cardiff and Sheffield
2009



IBME
Oxford IBME
2011



Manchester University and Cambridge Innovation Capital
2013



US university pilots
2013/4



OSI plc
2015



Nine partners in AUS/NZ
2017



'Golden Triangle'
2017

3 - Shareholder register (above 2% holders)

Shareholder	% holding
Railways Pension Scheme	15.3%
Baillie Gifford	4.9%
Lansdowne Partners	4.6%
Liontrust Sustainable Investments	4.2%
Blackrock	4.2%
Imperial College	4.2%
Odey Asset Management	3.1%
Schroder Investment Management	3.1%
Legal & General Investment Management	2.6%
Telstra Super	2.5%
Lombard Odier	2.4%
Invesco	2.1%
Total	c. 53%

4 - Approach to impact and ESG

PURPOSE: IMPACT

- Impact measured against SDG framework
- Particular 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



MSCI
ESG RATINGS



CCC B BB BBB A AA AAA

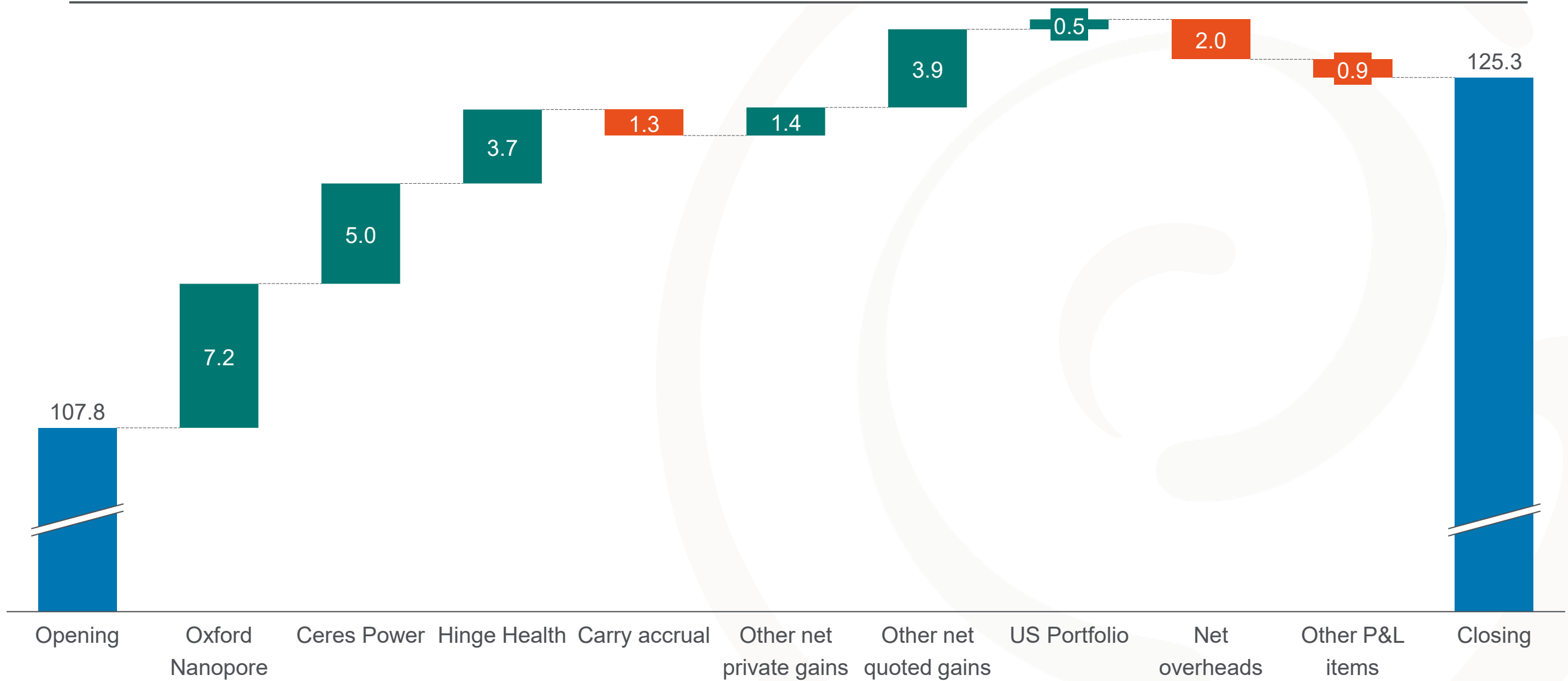


FTSE4Good

TCFD
TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

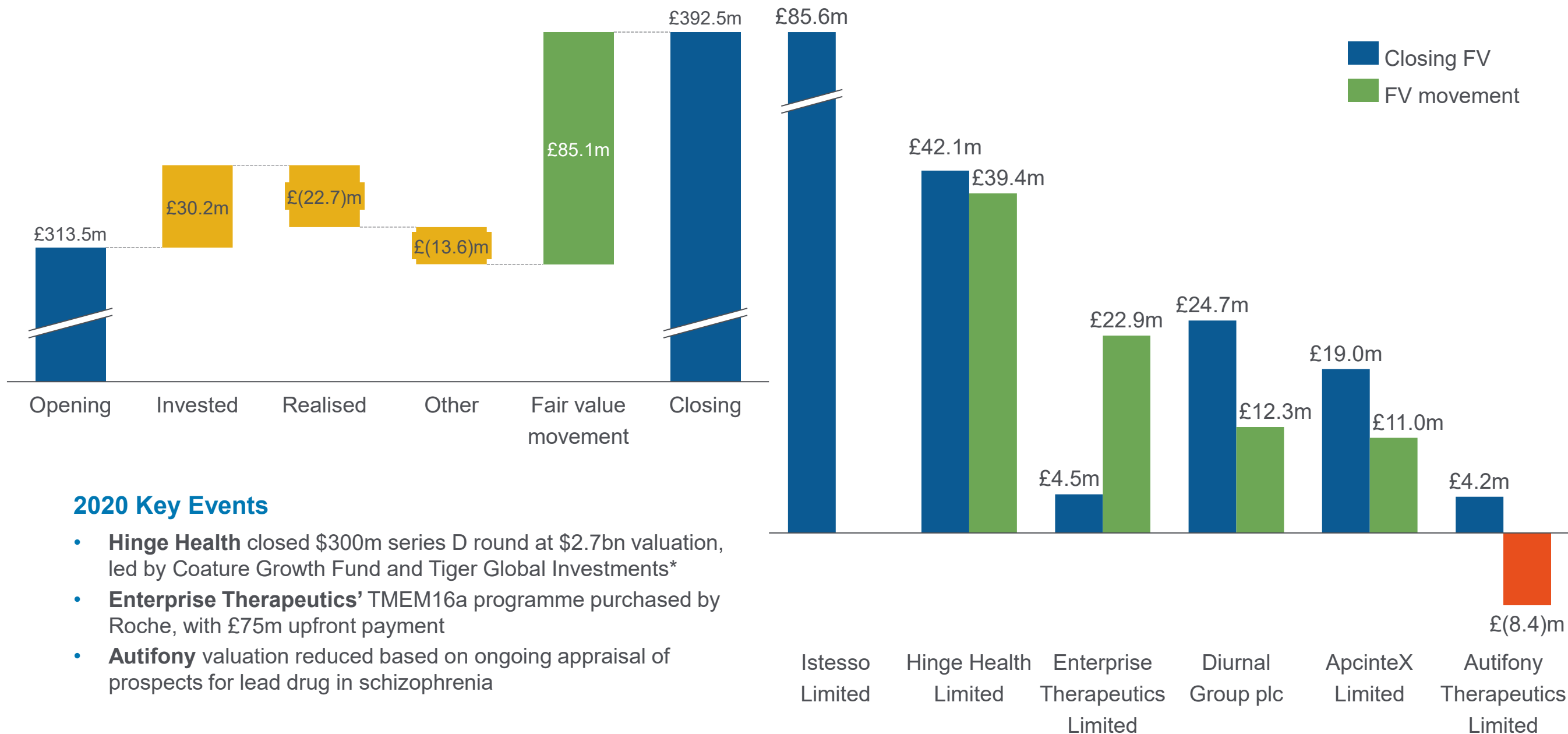


5 - HNAV per share waterfall





6 - Life Sciences Portfolio

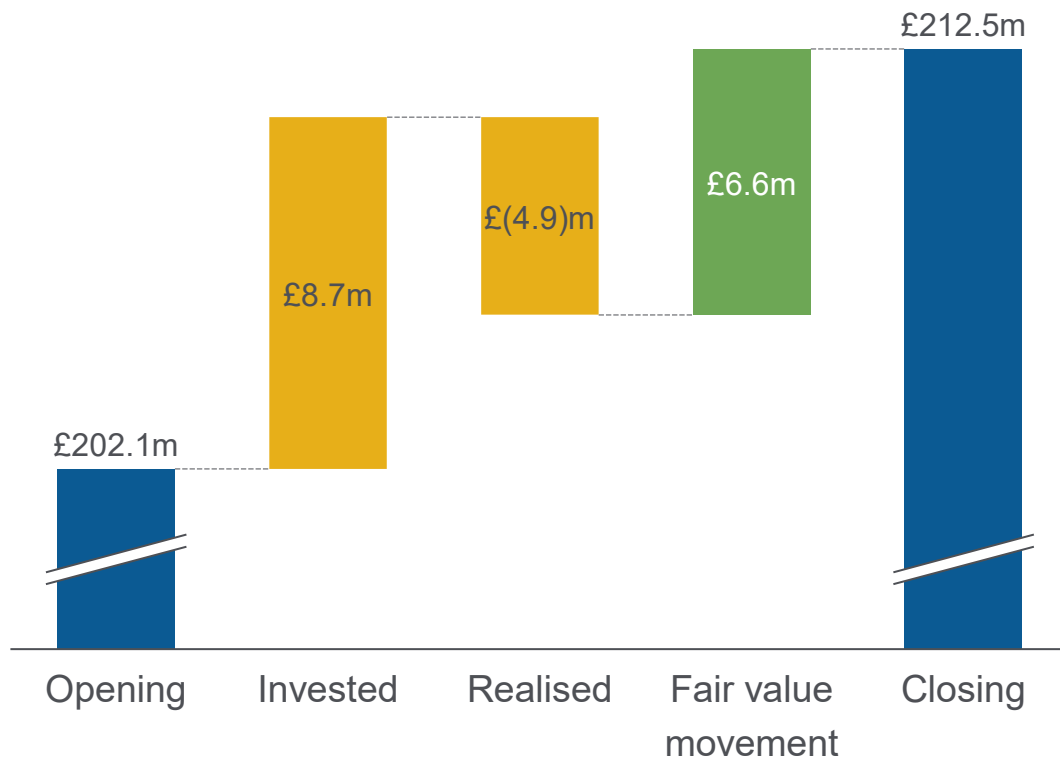


2020 Key Events

- **Hinge Health** closed \$300m series D round at \$2.7bn valuation, led by Coatue Growth Fund and Tiger Global Investments*
- **Enterprise Therapeutics'** TMEM16a programme purchased by Roche, with £75m upfront payment
- **Autifony** valuation reduced based on ongoing appraisal of prospects for lead drug in schizophrenia

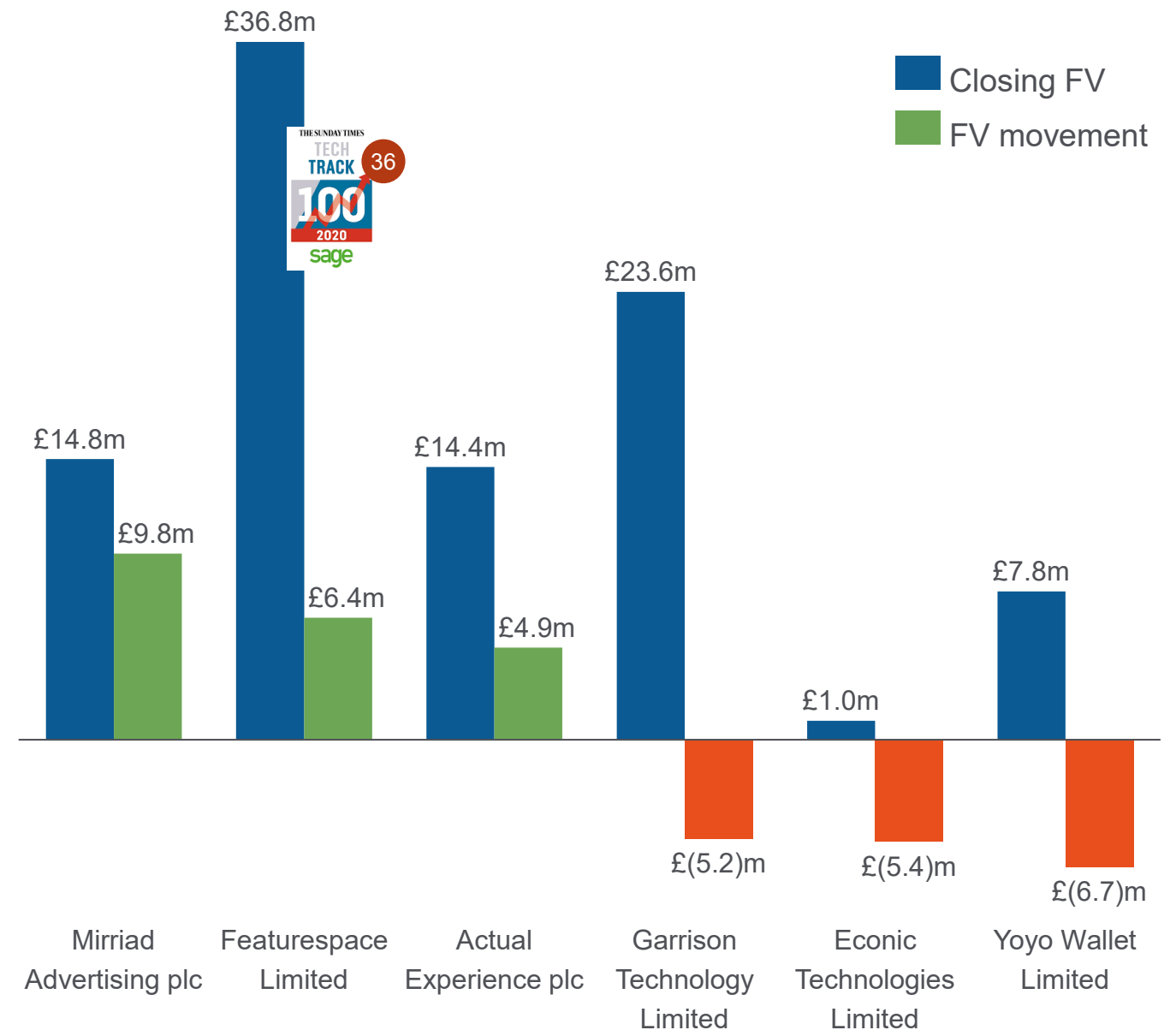
*IP Group has a 2.4% holding in Hinge Health, Inc.

7 - Deeptech portfolio



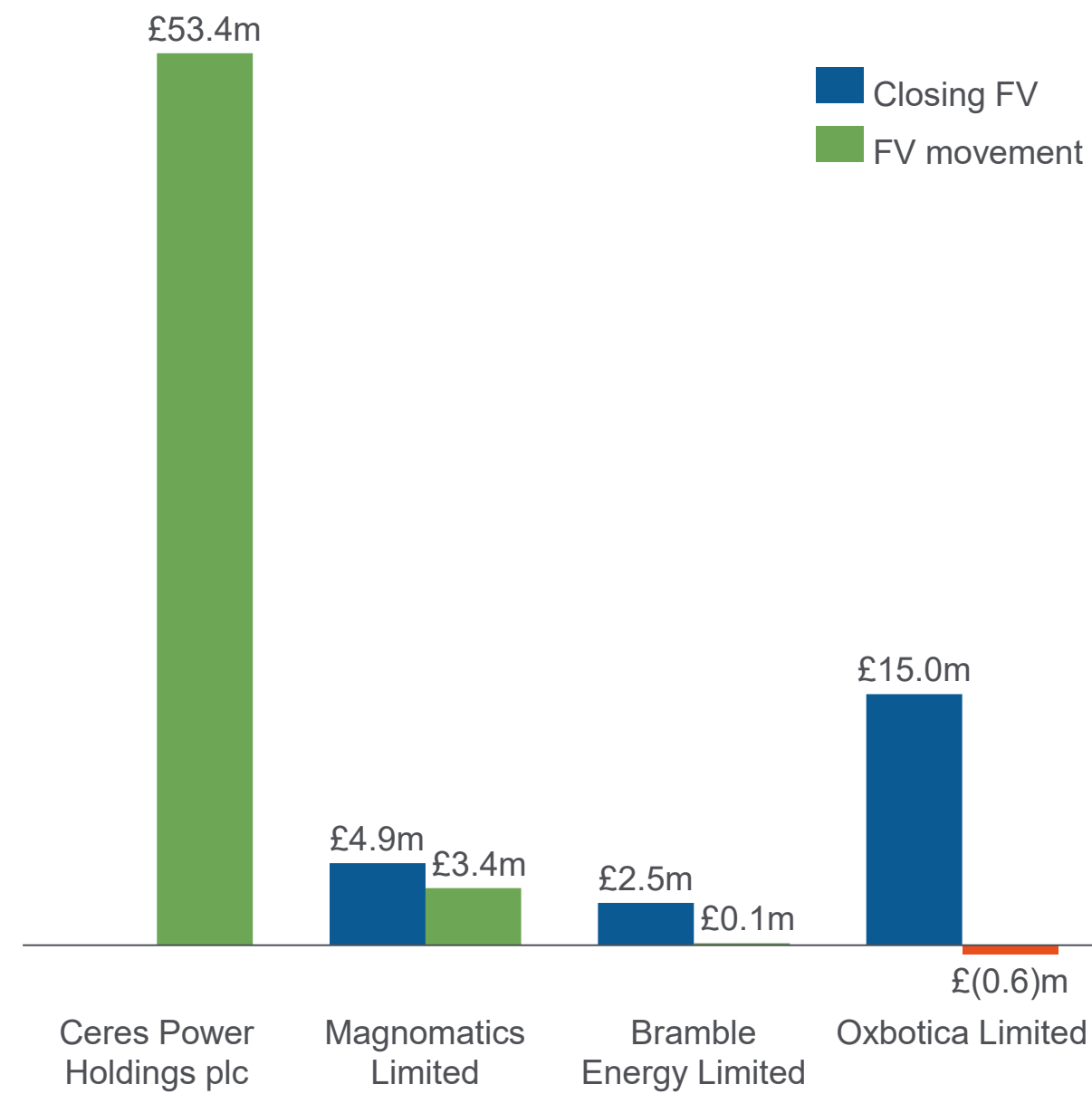
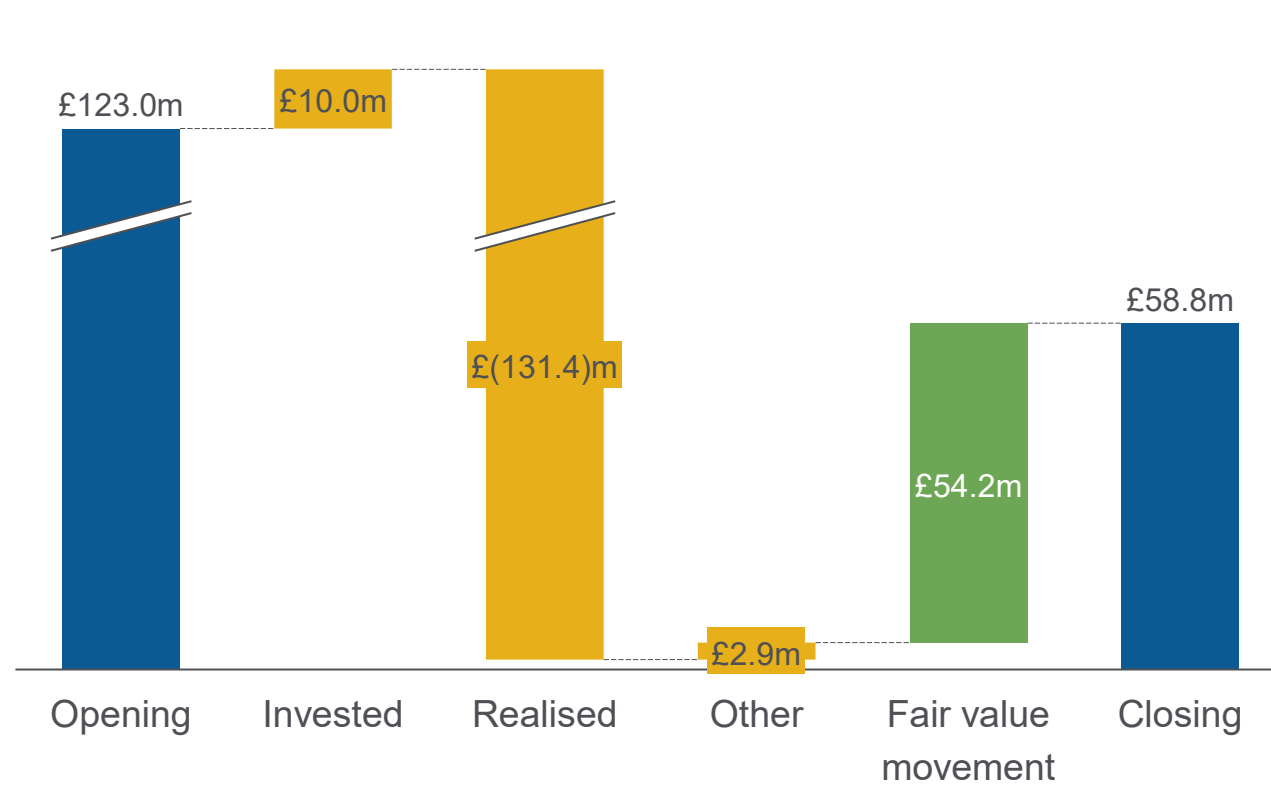
2020 Key Events

- **Mirriad** announced contract with a US-based “tier one media giant”, and completed a £26m placing
- **Featurespace** £30m funding round led by Merian Chrysalis, at uplift despite COVID-19
- **Garrison** valuation reduced to reflect slower revenue ramp than anticipated at Oct 2018 Series B
- **Econic & Yoyo Wallet** valuations reduced to reflect funding outlook





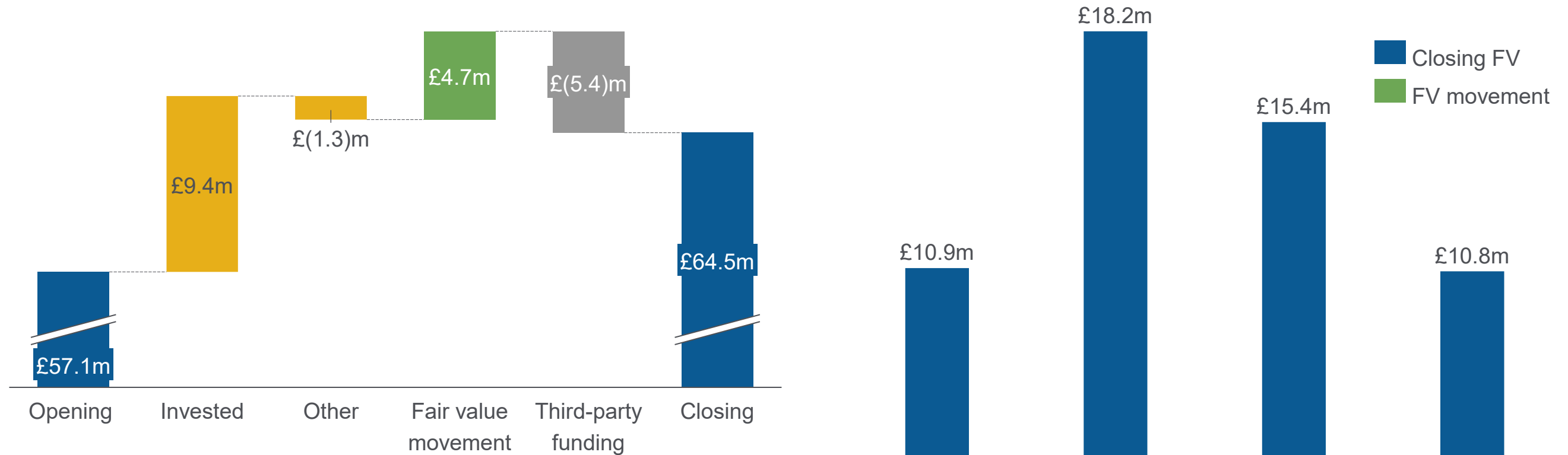
8 - Cleantech Portfolio



2020 Key Events

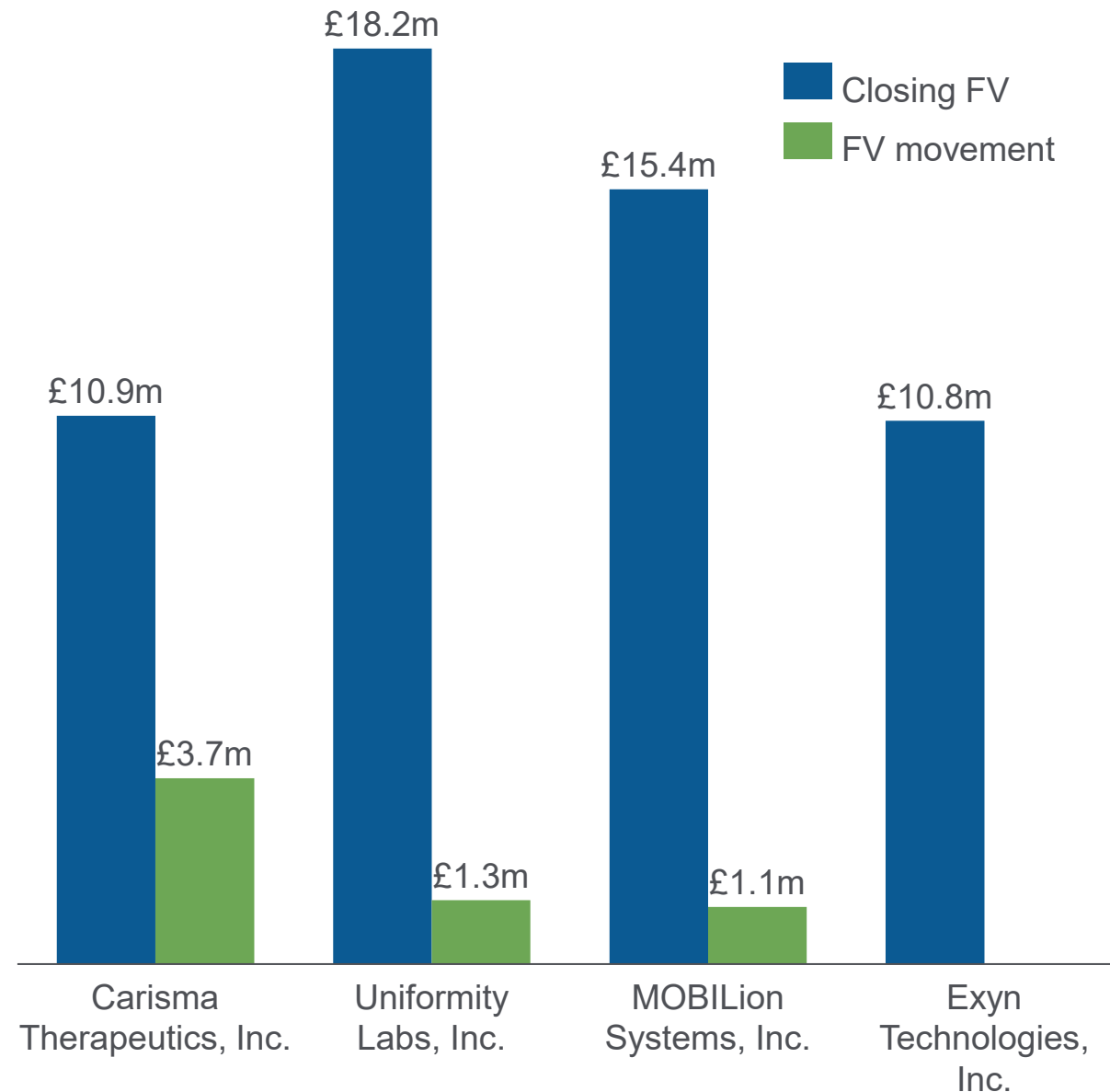
- **Ceres Power** strong price performance and sale of full IP Group holding generating proceeds of £128m, realising a multiple of 7x cost
- **Bramble energy** raised a £5m Series A round. It has developed the only technology capable of producing gigawatts of hydrogen fuel cells using existing manufacturing facilities
- **Oxbotica** secured £27m funding, with round led by BP Ventures

9 - North America Portfolio

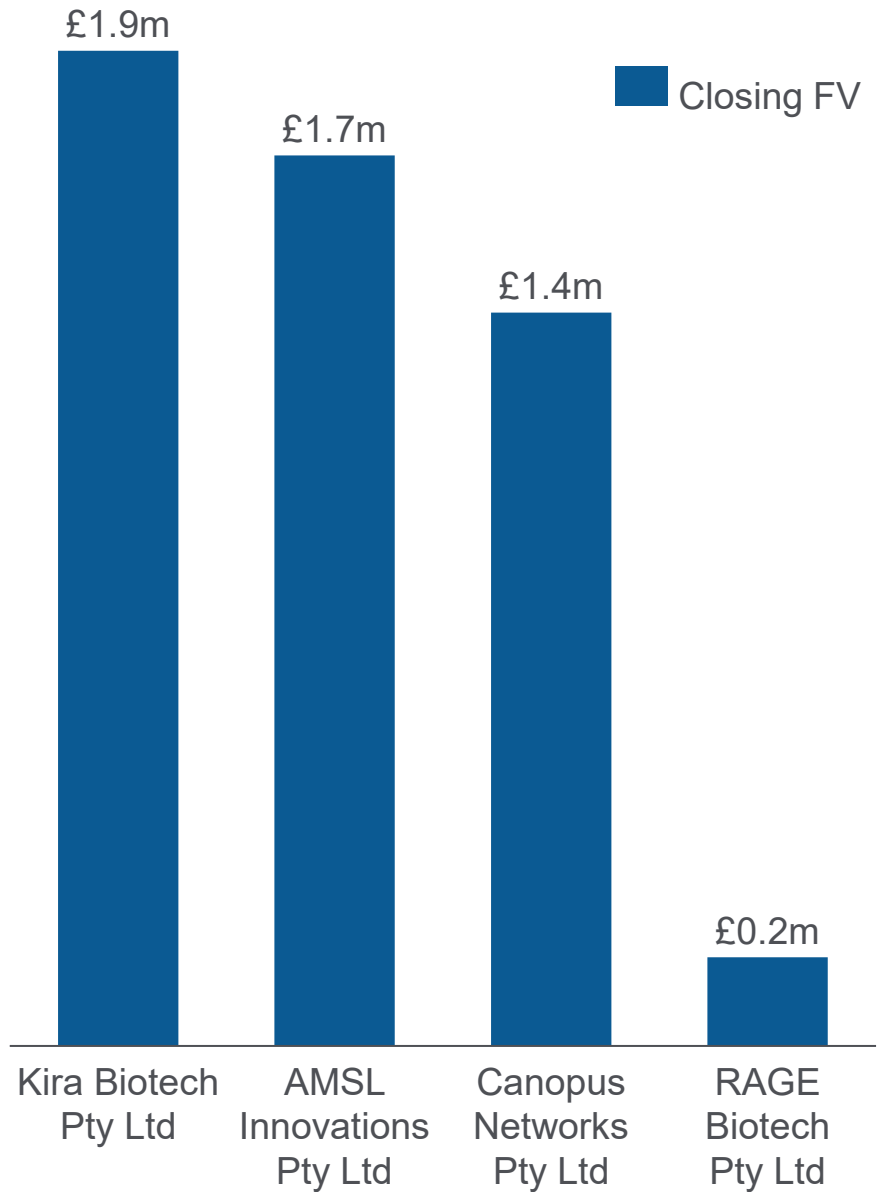
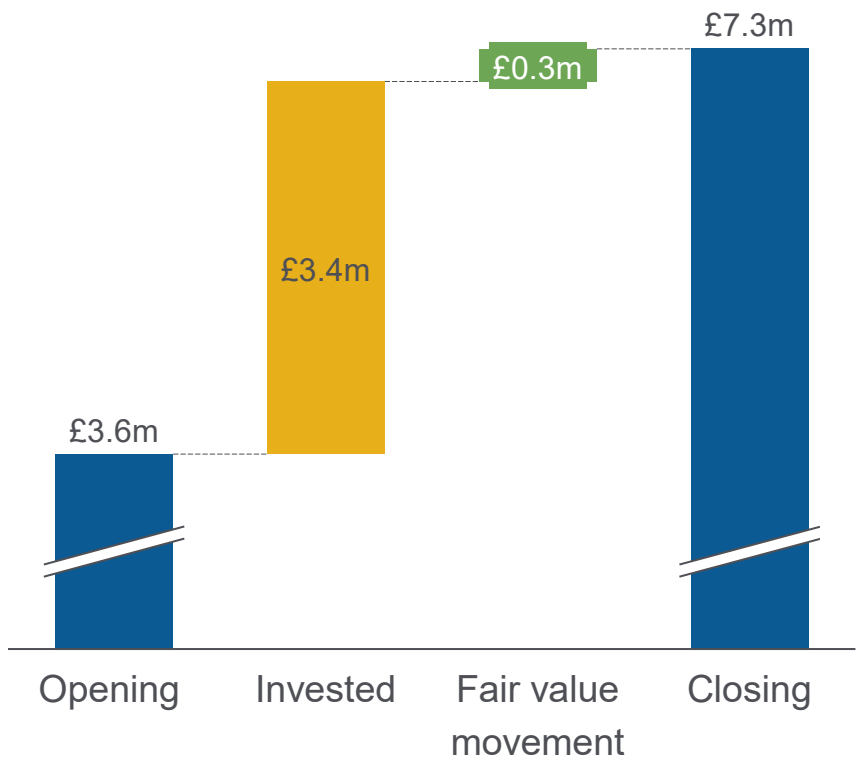


2020 Key Events

- **MOBILion** closed a \$35m Series B funding round to expand its product portfolio, and advanced its novel biomarker discovery programme
- **Carisma Therapeutics** closed a \$59m Series B round and secured FDA approval for its IND application for its lead oncology drug candidate
- **Uniformity Labs** completed a \$38.5m Series B funding round to expand its growth into the additive manufacturing industry



10 - Australia & New Zealand Portfolio



2020 Key Events

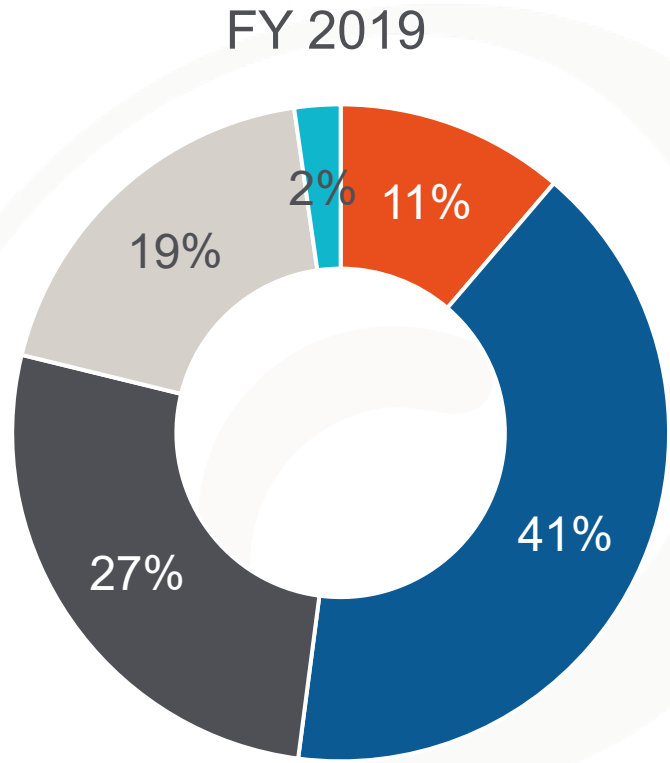
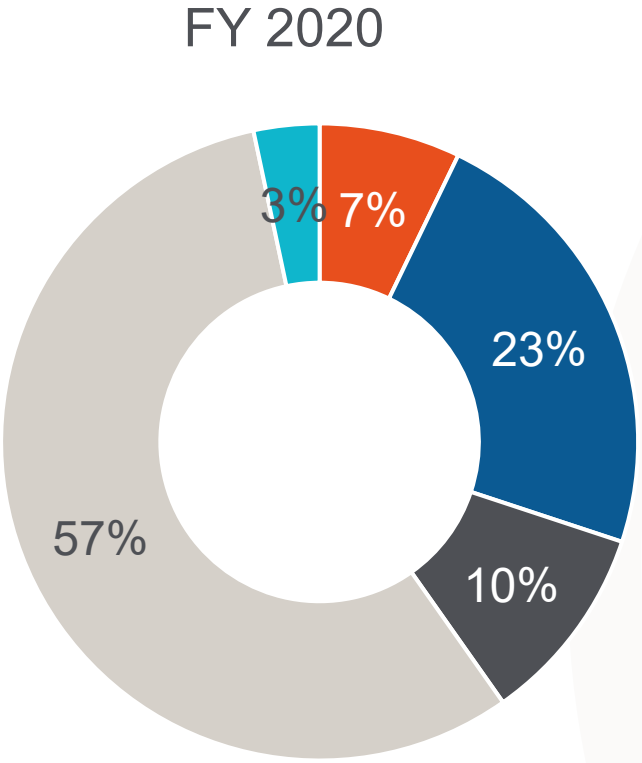
- **AMSL Aero** unveiled the worlds most efficient eVTOL vehicle in November alongside their partnership with Australian air ambulance company, CareFlight
- **Canopus Networks** AI real time network analytics company, was featured in the global 'top 20 university spin outs you should know' by Venture Radar
- **RAGE Biotech** was launched in July to develop treatments to help chronic inflammatory lung patients, including Cystic Fibrosis and severe asthma

11 – Summary income statement

	2020 (£m)	2019 (£m)
A Core business		
Movement in portfolio value including funds	228.0	(44.6)
Income	6.2	8.6
Overhead (incl. incentives)	(27.8)	(31.2)
Net operating costs	(21.6)	(22.6)
Incentive costs including carry accrual (non-cash)	(17.2)	(1.0)
Consolidated portfolio company costs	(0.4)	(5.4)
Profit/(Loss) from core business	188.0	(73.6)
B Non-operating and non-recurring items		
Acquisition costs including IFRS3 charge	(1.2)	(2.5)
Amortisation	-	(0.3)
Net interest	(1.5)	(2.4)
Taxation	(0.7)	(0.1)
Profit/(Loss) after taxation	185.4	(78.9)

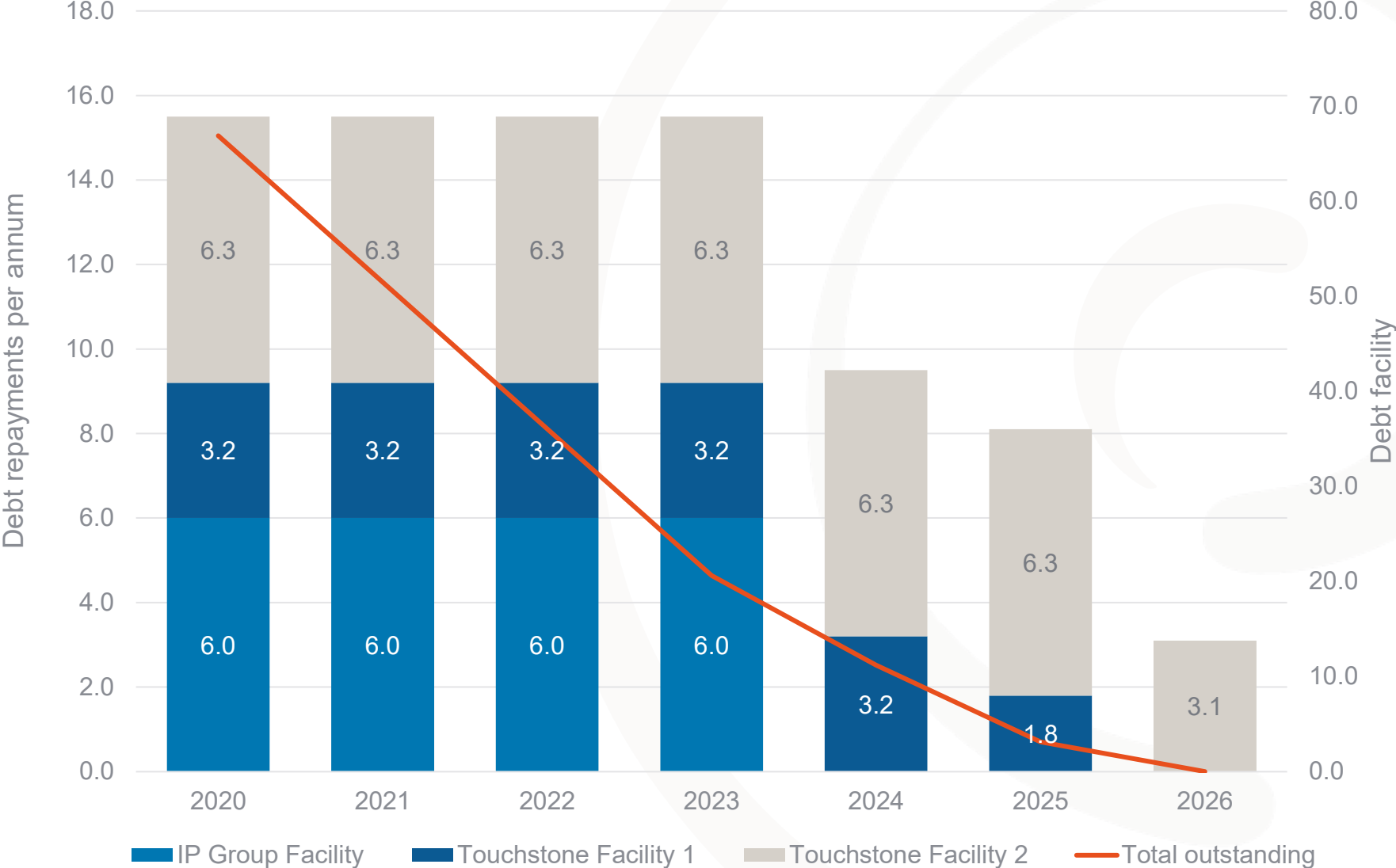
12 – Portfolio valuation approach

- Quoted
- Recent financing (<9 months)
- Recent financing (>9 months)
- Other valuation methods
- Debt



- Group seeks to use observable market data as the primary basis for determining asset fair values where possible (bid price, recent financing rounds)
- Other valuation methods include: market-derived valuations adjusted to reflect considerations including (inter alia) technical measures, financial measures and market and sales measures; discounted cash flows and price-earnings multiples.
- The Group engages third party valuation specialists to provide valuation support where appropriate.





13 – EIB debt repayment profile



14 – Portfolio Reconciliation: Gross to net

	Number	IPG FV (£m)
Life sciences	40	392.5
Deeptech	36	212.5
Cleantech	12	58.8
Strategic	4	370.6
Total UK	92	1,034.4
US	27	64.5
Australasia	12	7.3
<i>De minimis & organic</i>	77	11.9
Net portfolio	208	1,118.1
Attributable to third parties/revenue share	n/a	44.6
Total gross portfolio	208	1,162.7

15 – News from the top ten companies

Company	Group fair value/ shareholding	Recent news flow
	£340.3m 15.0%	<ul style="list-style-type: none"> • Raises £84.4m of new capital, bringing total for the year to £162.1m. • Launches LamPORE test for the detection of SARS-CoV-2; initial order of 450k tests. • Involvement in genomic surveillance of coronavirus, ships 200 MinION sequencers to China. • Collaboration with Group 42 in UAE for population scale testing. • Appoints John O’Higgins (former CEO of Spectris) as NED.
	£85.6m 56.4%	<ul style="list-style-type: none"> • Raised £6m funding from Future Fund + IP Group. • Announces headline results of Phase 2a study of its investigational drug, MBS2320, in rheumatoid arthritis to assess safety and tolerability. Primary objective achieved, and drug met with no drug-related adverse events. • Second close of funding in Feb 2019, adding £4m to the £6m raised in Dec 2018 and bringing the total to £10m.
	£42.1m 2.4%	<ul style="list-style-type: none"> • Completes a \$300m (£225m*) Series D investment round valuing the company at approximately \$3bn (£2.2bn*). Jointly led by Coatue Management and Tiger Global. • In 2020, the customer base tripled, revenue quadrupled, and customer retention held at 100%. • Closes \$90m Series C funding round led by Bessemer Venture Partners, with participation from Lead Edge Capital, Insight Partners, Atomico, 11.2 Capital, Quadrille Capital and Heuristic Capital.
FEATURE SPACE	£36.8m 19.7%	<ul style="list-style-type: none"> • Ranked 36 on the 2020 Sunday Times Tech Track 100 list. • Completes £30m funding round led by Merian Chrysalis with IPG, Highland Europe, MissionOG, TTV Capital and Invoke Capital Partners. • Ranked in 2019 Tech Track 100 of fastest growing private tech firms by sales. • Completes £25m fundraising led by Insight Venture Partners while MissionOG also participated as a new investor.
	£31.0m 21.4%	<ul style="list-style-type: none"> • Raises further \$35m in second close of Series C financing. • Commercial launch of InVisionFirstLung liquid biopsy in the US. • Strategic collaboration and \$25m investment from US NeoGenomics. • Co-founder and CSO Nitzan Rosenfeld to receive 2020 Cancer Researcher Award from the European Association for Cancer Research and Pezcoller Foundation. • Collaboration with EORTC for Phase II non-small cell lung cancer (NSCLC) study.

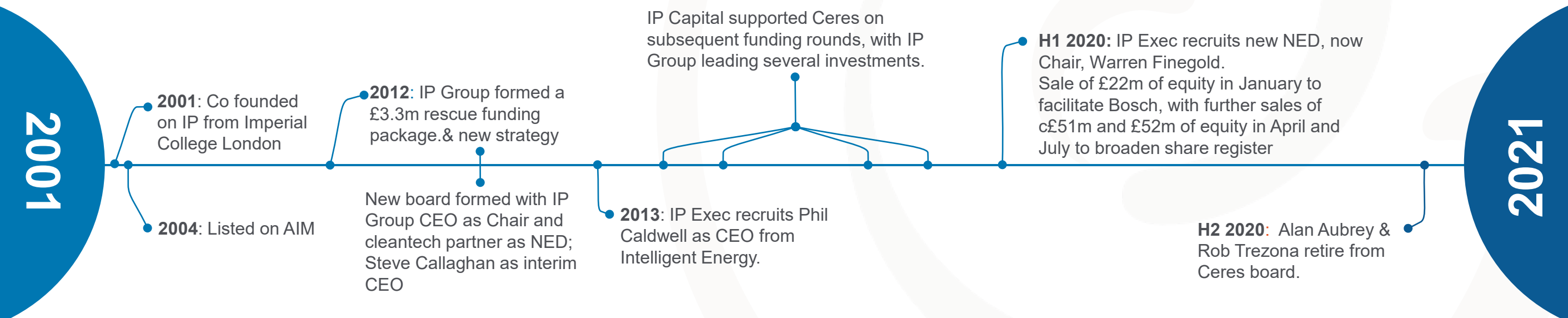
16 – News from the top ten companies (cont.)

Company	Group fair value/ shareholding	Recent news flow
	<p>£26.1m 17.1%</p>	<ul style="list-style-type: none"> Exceeded order forecasts during the year, reflecting the imminent emergence of mass market augmented reality products. Counts eight of the world's top ten tech and social media companies as customers. Winners of the Vision Technology Award at the Prism Awards for the 2nd year in a row. WaveOptics and Luxexcel demonstrate prescription eyewear for Augmented Reality smartglasses. Launches waveguide that will bring AR wearables to the mass market.
	<p>£24.7m 31.9%</p>	<ul style="list-style-type: none"> Chronocort P3 and safety extension study results published. Exclusive licence agreement for its product, Alkindi® with the specialty pharmaceutical company, Citrine Medicine, Inc. covering China, Hong Kong, Taiwan and Macau. Updates market with total revenue for the 6 months to 31 Dec 2020, including licensing income, was £1.2m (+6%).
	<p>£23.6m 23.4%</p>	<ul style="list-style-type: none"> Hires security veteran, Colin Mckinty to lead US operations. Included in Tech Nation's Future Fifty 2019 programme. Awarded as Technology Pioneer by World Economic Forum.
	<p>£23.4m 22.6%</p>	<ul style="list-style-type: none"> Ultraleap technology integrated in systems by Varjo Technologies and Pimax (consumer VR). Joins The Khronos Group, an open consortium of leading hardware & software companies creating advanced acceleration standards, started participating in the OpenXR™ Working Group. Ultraleap launches following merger of Ultrahaptics and Leap Motion. Completes oversubscribed £35m fundraising, led by Mayfair Equity Partners.
	<p>£20.6m 2.3%</p>	<ul style="list-style-type: none"> As at 30th September 2020, £71.3m further made, with OSI leading on 31 investments. Number of investments stood at 82 with a total portfolio value of £386.6m. Cash and deposits of £309.0m; NAV/shr rises to 122.3p vs 118.0p. In 2019, OSI invests further £58.2m into portfolio companies, leading on 32 investments. Total number of investments stands at 78 with a total portfolio value of £290.6m. NAV rises to 118p vs 116.1p, cash and deposits of £173.7m.

17 – Ceres Power: £1m to £1bn in less than 8 years¹



- **c£128m** (total proceeds) = 7x multiple and gross realised and unrealised IRR of c48%
- The Ceres proceeds more than “repay” all of the investments in the Cleantech portfolio.
- Rescued & supported the world’s leading fuel cell technology company which now employs c.300 people.



“The growth we have achieved at Ceres was only possible due to the strong backing from IP Group.... IP Group has a philosophy of combining strong management teams with robust science and backing them with both funding and guidance on how to operate in the public markets.”

Phil Caldwell, CEO Ceres Power

¹ £1bn refers to the market capitalisation of Ceres Power on 14 July 2020, the date of the announcement of the sale of 9.16m shares by IP Group

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

The Walbrook Building
25 Walbrook
London EC4N 8AF
Tel: +44 (0) 20 7444 0050
Web: www.ipgroupplc.com