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THIS ANNOUNCEMENT CONSTITUTES INSIDE INFORMATION AS STIPULATED UNDER THE MARKET ABUSE REGULATION (EU) NO.596/2014.

FOR IMMEDIATE RELEASE

18 October 2017

Offer for Touchstone Innovations plc declared wholly unconditional

Acceptances in excess of 96%; Acceptance Condition satisfied

Offer now unconditional in all respects

Combination creates market leader with the scale to help create, build and support the very best world-changing businesses

On 20 June 2017, IP Group plc ("**IP Group**") announced the terms of an offer to be made by IP Group for the whole of the issued and to be issued share capital of Touchstone Innovations plc ("**Touchstone**"). The offer document in relation to the Offer was posted to shareholders on 18 July 2017 ("**Offer Document**").

Capitalised terms used but not defined in this announcement shall have the meaning given to them in the Offer Document.

Level of acceptances

As at 1:00 p.m. on 17 October 2017 (the latest practicable date prior to the publication of this announcement), IP Group has received valid acceptances of its Offer in respect of a total of 155,859,312 Touchstone Shares, representing approximately 96.6844 per cent. of the issued share capital of Touchstone, which IP Group may count towards satisfaction of the Acceptance Condition.

Of these, acceptances have been received in respect of

- 62,898,455 Touchstone Shares (representing approximately 39.0179 per cent. of the current issued share capital of Touchstone) from Invesco Asset Management Ltd ("**Invesco**"), which is presumed by the Panel to be acting in concert with IP Group; and
- 92,960,857 Touchstone Shares (representing approximately 57.6666 per cent. of the current issued share capital of Touchstone), including 81,492,193 Touchstone Shares (representing 50.5522 per cent. of the current issued share capital of Touchstone) received under the terms of certain irrevocable undertakings to accept and letters of intent provided by certain Touchstone Shareholders, excluding those acceptances provided by Invesco.

IPG continues to hold letters of intent in support of the Offer in respect of a further 210,000 Touchstone Shares (representing approximately 0.1303 per cent. of the existing issued share capital of Touchstone) that remain outstanding as at the date of this announcement.

Accordingly, IP Group has received valid acceptances of its Offer in respect of a total of 155,859,312 Touchstone Shares, representing approximately 96.6844 per cent. of Touchstone's issued share capital which it may count towards satisfaction of the Acceptance Condition.

The percentage holdings of Touchstone Shares referred to in this announcement are based on there being a total of 161,204,124 Touchstone Shares in issue.

Acceptance Condition satisfied

IP Group is pleased to announce that the Acceptance Condition to the Offer has been satisfied and that the Offer has become unconditional as to acceptances.

Offer wholly unconditional

IP Group is also pleased to confirm that all the Conditions to the Offer set out in the Offer Document have now been satisfied or waived and, accordingly, IP Group is pleased to announce that the Offer has now become unconditional in all respects.

Commenting on the offer becoming wholly unconditional, Alan Aubrey, CEO of IP Group, said:

“The combination of IP Group and Touchstone Innovations creates a clear market leader and a company with the scale to help create, build and support the very best world-changing businesses. The enlarged Group is well-funded and will benefit from both critical mass and a balanced portfolio and we look forward to working with our new colleagues.”

Update on Exchange Ratio

As noted in the Offer Document, the Exchange Ratio of 2.2178 IPG Share for each Touchstone Share is subject to adjustment if, as a result of an increase in the price of the IPG Shares, the implied offer value per Touchstone Share was to become worth more than 330 pence, as calculated by reference to the average of the daily volume weighted average prices of an IPG Share over the 30 Business Days prior to the date of this announcement. Having made this calculation, IPG confirms that the Exchange Ratio remains at 2.2178 IPG Shares for each Touchstone Share.

Settlement

The allotment and issue of New Shares will be effected within 14 calendar days of the date of this announcement to those Touchstone Shareholders (or the first-named shareholder in the case of joint holders) whose valid acceptances have already been received in the manner described in the Offer Document. The allotment and issue of New Shares in respect of valid acceptances received after the date of this announcement will be made within 14 calendar days after receipt of each such acceptance. It is expected that all New Shares will be admitted to trading on the main market of the London Stock Exchange on or shortly after the date of their issue.

Compulsory acquisition

IP Group has received valid acceptances under the Offer in respect of not less than 90 per cent. of the Touchstone Shares to which the Offer relates by nominal value and voting rights attaching to such shares. Accordingly, IP Group will now exercise its rights pursuant to the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining Touchstone Shares in respect of which the Offer has not been accepted on the same terms as the Offer. Notice will be sent to non-assenting Touchstone Shareholders informing them of the compulsory acquisition of their shares by IP Group.

Delisting and cancellation of trading

IP Group has received valid acceptances of its Offer in respect of not less than 75 per cent. of the Touchstone Shares and the Offer has been declared unconditional in all respects. As contemplated by the Offer Document, IP Group confirms that it intends to procure an application for cancellation of the admission to trading on AIM of the Touchstone Shares as soon as practicable after the date of this announcement.

Delisting will significantly reduce the liquidity and marketability of any Touchstone Shares not assented to the Offer.

Interests in relevant securities

As at the close of business on 17 October 2017 (the latest practicable date prior to the publication of this announcement), Invesco, which is presumed by the Panel to be acting in concert with IP Group, held 62,898,455 Touchstone Shares (representing approximately 39.0179 per cent. of the current issued share capital of Touchstone).

Save as disclosed above, as at the close of business on 17 October 2017 (the latest practicable date prior to publication of this announcement), neither IP Group nor (so far as IP Group is aware) any person acting in concert with it (a) is interested in, or has any rights to subscribe for, any relevant securities of Touchstone (b) has any short position (whether conditional or absolute and whether in the money or otherwise) in, including any short position under a derivative or any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of, any relevant securities of Touchstone or (c) has any borrowing or lending of any relevant securities of Touchstone (save for any borrowed Touchstone Shares which have been either on-lent or sold).

Action to be taken

The Offer will remain open for acceptance until further notice. Not less than 14 calendar days' notice will be given in respect of the closure of the Offer.

Touchstone Shareholders who have not accepted the Offer are urged to do so as soon as possible.

- If you hold your Touchstone Shares, or any of them, in certificated form (that is, not in CREST), to accept the Offer in respect of those Touchstone Shares you should complete, sign and return the Form of Acceptance (together with your share certificate(s) and/or other document(s) of title) as soon as possible.

The Form of Acceptance and a reply-paid envelope were enclosed with the Offer Document. Instructions on how to complete the Form of Acceptance are set out in the Form of Acceptance and in Paragraph 20(a) of Part I of the Offer Document.

- If you hold your Touchstone Shares, or any of them, in uncertificated form (that is, in CREST), to accept the Offer in respect of those Touchstone Shares you should follow the procedure for Electronic Acceptance through CREST so that the TTE instruction settles as soon as possible.

Instructions on how to accept the Offer by means of Electronic Acceptance are set out in Paragraph 20(b) of Part I of the Offer Document.

Enquiries

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Further Information

This announcement is for information purposes only and is not intended to and does not constitute or form part of an offer, invitation or the solicitation of an offer or invitation to purchase, or otherwise acquire, subscribe for, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Offer or otherwise nor shall there be any sale, issuance or transfer of securities of IP Group or Touchstone pursuant to the Offer in any jurisdiction in contravention of applicable laws. The Offer is being implemented solely pursuant to the Offer Document which contains the full terms and conditions of the Offer. Any decision in respect of, or other response to, the Offer should be made on the basis of the information contained in the Offer Document. IP Group urges Touchstone Shareholders to read the Offer Document carefully because it contains important information in relation to the Offer, the New Shares and the Combined Group. This announcement does not constitute a prospectus or prospectus equivalent document.

Overseas Jurisdictions

The release, publication or distribution of this announcement in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable legal or regulatory requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person. This announcement has been prepared for the purpose of complying with English law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom. Unless otherwise determined by IP Group or required by the City Code, and permitted by applicable law and regulation, the availability of New Shares to be issued pursuant to the Offer to Touchstone Shareholders will not be made available, directly or indirectly, in, into or from the United States or any other Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Offer by any means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction.

Accordingly, copies of this announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction, and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send such documents in or into or from any Restricted Jurisdiction.

The Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, email or other electronic transmission or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction. The availability of New Shares pursuant to the Offer to Touchstone Shareholders who are not resident in the United Kingdom or the ability of those persons to hold such shares may be affected by the laws or regulatory requirements of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements. Touchstone Shareholders who are in doubt about such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

This announcement is not for publication, distribution, directly or indirectly, in or into the United States of America. This announcement is not an offer of securities for sale into the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States.

Important Notices Relating to Financial Advisers

Rothschild, which is authorised and regulated by the FCA in the UK, is acting exclusively for IP Group and no one else in connection with the Offer and will not be responsible to anyone other than IP Group for providing the protections afforded to clients of Rothschild or for providing advice in relation to the Offer or any other matters referred to in this announcement.

Numis Securities Limited which is authorised and regulated by the FCA is acting exclusively for IP Group and no one else in connection with the Offer and Numis Securities Limited will not be responsible to anyone other than IP Group for providing the protections afforded to its clients or for providing advice in relation to the Offer or any other matters referred to in this announcement.

Rounding

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Dealing and Opening Position Disclosure Requirements

Under Rule 8.3(a) of the City Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure. Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4). Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Documents Available for Inspection

A copy of this announcement is and will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on the investor relations section of IP Group's website www.ipgroupplc.com/investorrelations/ by no later than 12 noon (London time) on the Business Day following this announcement. For the avoidance of doubt, the contents of the website referred to in this announcement are not incorporated into and do not form part of this announcement.

You may request a hard copy of this announcement free of charge (subject to certain restrictions relating to persons resident in Restricted Jurisdictions) by writing to Freddie Barnfield at Numis at f.barnfield@numis.com or by calling +44 (0)20 7260 1000 during normal business hours. It is important that you note that unless you make such a request, a hard copy of this announcement will not be sent to you. You may also request that all future documents, announcements and information to be sent to you in relation to the Offer should be in hard copy form.