

**("IP Group" or "the Group" or "the Company")  
IP Group plc 2025 Annual Results Release**

IP Group plc (LSE: IPO), which invests in breakthrough science and technology companies with the potential to create a better future for all, today announces its annual financial results for the year ended 31 December 2025.

## 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 drug 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 Pizer 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 (FY24: £183.4m)
- Hinge Health floated on NYSE. £18.4m total FY25 proceeds. Remaining £16.8m exited in early 2026
- Sale of Monolith to Nasdaq-listed CoreWeave, Inc.
- £914m of total capital raised by portfolio companies (+17%, 2024: £784m)
- Invested £70.5m across 31 companies, reflecting maintained capital discipline
- Portfolio company fund raises included Artios (\$115m), Oxa (\$103m), OXCCU (£20.75m), Accelercomm (\$15m) and Lumai (\$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

## Summary financials

	FY 2025	FY 2024
Net Asset Value (NAV)	<b>£975.1m</b>	<b>£952.5m</b>
NAV per share <sup>(i)</sup>	<b>110.4pps</b>	<b>97.7pps</b>
% change in NAV per share	<b>13%</b>	<b>(15%)</b>
Profit/(loss) for the year	<b>£66.9m</b>	<b>(£207.0m)</b>
Total portfolio <sup>(i)</sup>	<b>£908.1m</b>	<b>£852.1m</b>
Gross cash and deposits <sup>(i)</sup>	<b>£211.0m</b>	<b>£285.6m</b>
Cash proceeds <sup>(i)</sup>	<b>£68.1m</b>	<b>£183.4m</b>
Portfolio investment <sup>(i)</sup>	<b>£70.5m</b>	<b>£63.0m</b>

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

**Greg Smith, Chief Executive of IP Group, said:** "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."

## Webinar

IP Group will host a webinar for analysts and investors today, 17 March, at 09:00am. For more details or to register as a participant please visit <https://www.investormeetcompany.com/ip-group-plc/register-investor>.

For more information, please contact:

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## Notes

### (i) Nature of announcement

This Annual Results Release was approved by the Directors on 16 March 2026.

The financial information set out in this Annual Results Release does not constitute the Company's statutory accounts for 2025 or 2024. Statutory accounts for the years ended 31 December 2025 and 31 December 2024 have been reported on by the Independent Auditor. The Independent Auditor's Reports on the Annual Report and Financial Statements for 2025 and 2024 were unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006. Statutory accounts for the year ended 31 December 2024 have been filed with the Registrar of Companies. The statutory accounts for the year ended 31 December 2025 will be delivered to the Registrar following the Company's Annual General Meeting.

The 2025 Annual Report and Accounts will be published in April 2026 and a copy will be posted on the Group's website ([www.ipgroupplc.com](http://www.ipgroupplc.com)). In accordance with Listing Rule 9.6.1 a copy of the Annual Report and Accounts will also be submitted to the National Storage Mechanism on or around this date and will be available for inspection at: [www.Hemscott.com/nsm.do](http://www.Hemscott.com/nsm.do) from that time.

Throughout this Annual Results Release the Group's holdings in portfolio companies reflect the undiluted beneficial equity interest excluding debt, unless otherwise explicitly stated.

### (ii) Forward-looking statements

This Annual Report and Accounts may contain forward-looking statements. These statements reflect the Board's current view, are subject to a number of material risks and uncertainties and could change in the future. Factors that could cause or contribute to such changes include, but are not limited to, the general economic climate and market conditions, as well as specific factors relating to the financial or commercial prospects or performance of individual companies within the Group's portfolio.

## STRATEGIC REPORT

### CHAIRMAN'S SUMMARY

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 Zhipp 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, Ieramistat, 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.

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 back 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**  
**Chairman**  
16 March 2026

## **CHIEF EXECUTIVE'S OPERATIONAL REVIEW**

### **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 by 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 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 the 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 continuing financial interest in a number of Pfizer obesity drug programmes following Pfizer's acquisition of Metsera for up to \$10bn in November 2025. Metsera, which acquired former IP Group portfolio company Zhipp 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 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 \$150bn by 2030.

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 \$10bn, including \$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%)
<b>Total portfolio</b>	<b>70.5</b>	<b>68.1</b>	<b>64.0</b>	<b>908.1</b>	<b>8%</b>

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 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 within the Financial 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 Teknikos 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 \$32 a share and traded up to a 63% premium to close the period at \$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.

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 2025

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 17.7% 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 to 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**  
**Chief Executive Officer**  
16 March 2026

## MANAGING PARTNER'S PORTFOLIO REVIEW

### 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.

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

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

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 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.

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.

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 \$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 £5.5m 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.

#### **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 \$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 \$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 \$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 \$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, and 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.

### 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 realising 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 \$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

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

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

### Portfolio funding position

The following table lists information on the 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.

Cash-out date <sup>1</sup>	31 December 2025	
	£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%
<b>Total companies &gt; £4m value</b>	<b>617.7</b>	<b>100%</b>
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	
<b>Total portfolio</b>	<b>908.1</b>	

<sup>1</sup> Cash-out dates based on portfolio company forecast as at publication date of Annual Report.

## FINANCIAL REVIEW

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.

- 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)

### Consolidated statement of comprehensive income

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

	Year ended 31 December 2025	Year ended 31 December 2024
	£m	£m
Net portfolio profit/(loss) <sup>1</sup>	64.0	(195.0)
Deferred tax recognised within investment entity subsidiaries	8.4	–
Net overheads <sup>2</sup>	(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)
<b>Profit/(loss) for the year</b>	<b>66.9</b>	<b>(207.0)</b>
Other comprehensive income/(expense) (FX on retranslation of foreign subsidiaries)	0.3	(3.0)
<b>Total comprehensive profit/(loss) for the year</b>	<b>67.2</b>	<b>(210.0)</b>
Exclude:		
Share-based payment charge	2.4	1.9
<b>Return on NAV<sup>1</sup></b>	<b>69.6</b>	<b>(208.1)</b>

<sup>1</sup> Defined in note 29 Alternative Performance Measures.

<sup>2</sup> See net overheads table below and definition in note 29 Alternative Performance Measures.

### 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 investment entity basis described earlier in this section. These movements are analysed in detail as follows:

	2025	2024
	£m	£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 intangible asset at fair value following change of investment entity status	109.4	–

FX translation	(7.4)	(6.4)
<b>Net portfolio gains/(losses)</b>	<b>64.0</b>	<b>(195.0)</b>

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

Gains	£m	Losses	£m
Pfizer Obesity Royalty Interest	126.4	Oxa Autonomy Limited	(30.5)
Monolith AI Limited	17.4	Pulmocide Limited	(24.1)
RAGE Biotech Pty Ltd	6.8	North America University Innovation L.P. <sup>1</sup>	(15.0)
Carrick Therapeutics (Licence)	6.0	First Light Fusion Limited	(14.6)
Technikos LLP	4.3	Bramble Energy Limited	(12.4)
Other Quoted	6.9	Other Quoted	(2.8)
Other Private	43.9	Other Private	(40.9)
FX translation	1.0	FX translation	(8.4)
<b>Total</b>	<b>212.7</b>	<b>Total</b>	<b>(148.7)</b>

<sup>1</sup> Formerly IPG Cayman L.P.

### Net overheads

	Year ended 31 December 2025	Year ended 31 December 2024
	£m	£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)
<b>Net overheads</b>	<b>(15.9)</b>	<b>(19.2)</b>

### Net overheads

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.

### 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)
<b>Total Equity or Net Assets Value ("NAV")</b>	<b>975.1</b>	<b>952.5</b>
<b>NAV per share</b>	<b>110.4p</b>	<b>97.7p</b>

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 (£10.8m).

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% (2024: 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: six companies).

Analysis of priced funding rounds in private portfolio	Year ended 31 December 2025		Year ended 31 December 2024	
	Number of companies	%	Number of companies	%
Up round	14	54%	10	52%
Flat round	4	15%	3	16%
Down round	8	31%	6	32%
<b>Total</b>	<b>26</b>	<b>100%</b>	<b>19</b>	<b>100%</b>

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 £m	Year ended 31 December 2024 £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
<b>Fair value of investments</b>	<b>866.1</b>	<b>780.1</b>
Statements from LP	42.0	58.1
Assets held for sale <sup>1</sup>	—	13.9
<b>Total portfolio</b>	<b>908.1</b>	<b>852.1</b>

<sup>1</sup>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 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 £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 £19.5 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 33 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	Cash Realisations	£m
Oxa Autonomy Limited	7.5	Hinge Health, Inc.	18.4
Artios Pharma Limited	5.4	Intelligent Ultrasound Group plc	8.8
RAGE Biotech Pty Ltd	5.4	Centessa Pharmaceuticals plc	7.2
First Light Fusion Limited	5.0	Technikos LLP	5.4
Fortify Solutions Cambridge Limited	3.7	Abliva AB	5.1
Other	43.5	Other	23.2
<b>Total</b>	<b>70.5</b>	<b>Total</b>	<b>68.1</b>

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 (£1.9m, 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 from realisations, normally made in the form of share buybacks when the share price discount to NAV exceeds 20%. On 18 November 2025 the Group completed its announced £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 credit was £2.1m and the cumulative balance sheet liability including amounts in fair valued companies was £3.7m.

An £8.3m 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.

### **Alternative Performance Measures ("APMs")**

The Group discloses alternative performance measures, such as NAV per share and Return on NAV, in this annual report. The Directors believe that these APMs assist in providing additional useful information on the underlying trends, performance, and position of the Group. Further information on APMs utilised by the Group is set out in note 29.

**David Baynes**

**CFOO**

16 March 2026

## **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 an FY24 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 over 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.

## 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 in the Corporate Governance Statement and 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.

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 Group's report Annual Report and Accounts. 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.

### 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

**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 AND UNCERTAINTIES

1	<b>The Group may have insufficient capital to deliver its investment strategy</b>	The Group's business model relies on the recycling of capital for re-investment from realisations, with a proportion of realisations also being allocated to shareholder returns. In the longer term, other sources including debt and equity issues may be used to manage the Group's capital position. The ability of the Group to deliver realisations and raise additional funding is influenced by macroeconomic and capital market conditions.	
<b>Link to strategy</b> 3 4 Access to sufficient capital allows the Group to deliver its investment strategy thereby delivering attractive financial returns		<b>Actions taken by management</b> <ul style="list-style-type: none"> <li>The Group has significant balance sheet capital and managed funds capital to deploy in portfolio opportunities</li> <li>The Group regularly forecasts cash requirements of the portfolio to ensure that the Group's investment plans reflect currently available capital and expected realisations</li> <li>The Group actively monitors compliance with the NPA covenants on an ongoing basis and maintains an ongoing dialogue with its noteholders</li> </ul>	<b>Risk appetite</b> Low
<b>Examples of risk</b> <ul style="list-style-type: none"> <li>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</li> <li>The Group may not be able to realise capital from its portfolio to fund the desired level of investment activity in the portfolio</li> </ul>		<b>Development during the year</b> <ul style="list-style-type: none"> <li>Cash proceeds totalled £68.1m in 2025</li> <li>The Group raised £29.0m of third party-funds during 2025</li> <li>The Group remains well positioned to benefit from the Mansion House related reforms. Investor engagement and fundraising capability were enhanced during the year.</li> <li>Hinge Health completed its IPO on NYSE in 2025, increasing the liquidity position of the portfolio</li> <li>We continue to maintain an active dialogue with the Group's major equity investors and debt investors</li> <li>The Group's share price continued to trade below NAV during the year</li> <li>The quoted portfolio value saw a fair value increase of £4.1m in the year</li> </ul>	<b>Change from 2024</b> No change
2	<b>It may be difficult for the Group's portfolio companies to attract sufficient capital</b>	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.	
<b>Link to strategy</b> 3 4 Access to sufficient levels of capital allows the Group's portfolio companies to invest in technology and commercial opportunities to ensure future financial returns.		<b>Actions taken by management</b> <ul style="list-style-type: none"> <li>The Group maintains Board representation on the majority of its portfolio companies and monitors their funding position and plans</li> <li>The Group regularly forecasts cash requirements of the portfolio and tracks those with a heightened funding risk</li> <li>The Group operates a corporate finance function, which is experienced in carrying out fundraising mandates for portfolio companies</li> <li>The Group maintains close relationships with a wide variety of co-investors that focus on companies at differing stages of development</li> </ul>	<b>Risk appetite</b> Balanced
<b>Examples of risk</b> <ul style="list-style-type: none"> <li>Portfolio companies may not be able to close investment rounds, reducing their ability to scale quickly and in extremis leading to company failure</li> <li>Reduced investor appetite may lead to lower valuation funding rounds, resulting in</li> </ul>		<b>Development during the year</b> <ul style="list-style-type: none"> <li>The Group's portfolio raised £914m in 2025, with £70.3m (7.7%) of this funding being provided by IP Group</li> <li>IP Capital worked on 5 corporate finance engagements during the year</li> <li>Excluding the Oxford Nanopore holding, the Group held board seats on 88.6% of portfolio companies valued at greater than £5m by value</li> </ul>	<b>Change from 2024</b> No change

<p>an unrealised fair value loss in the value of the Group's holding</p> <ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Our third-party funds had capital to deploy of £64.1m at year end</li> <li>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.</li> <li>We continued international investor roadshows in the year in the US, UK, EU and Middle East</li> </ul>	
<p><b>3</b></p>	<p><b>The returns generated by the Group's portfolio may be insufficient</b></p>	<p>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.</p>
<p><b>Link to strategy</b> 3 4</p> <p>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.</p>	<p><b>Actions taken by management</b></p> <ul style="list-style-type: none"> <li>The Group's employees have significant experience in sourcing, developing and growing early-stage technology companies to significant value</li> <li>There is a rigorous process for the approval of investments and divestments within a delegated authority framework</li> <li>Members of the Group's investment teams typically serve as non-executive directors to portfolio companies to help identify and remedy critical issues</li> <li>The Group has portfolio company holdings across different sectors to reduce the impact of a single company failure or sector decline</li> <li>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</li> </ul>	<p><b>Risk appetite</b> High</p>
<p><b>Examples of risk</b></p> <ul style="list-style-type: none"> <li>Portfolio company failure directly impacts the Group's value and profitability</li> <li>Concentration of value within a small numbers of companies could exacerbate the impact of any impairment or failure of one or more of these companies</li> <li>The value of the Group's drug discovery and development portfolio companies may be significantly impacted by a negative clinical trial result</li> </ul>	<p><b>Development during the year</b></p> <ul style="list-style-type: none"> <li>We completed three new balance sheet investments during the year, and a further 15 within Parkwalk</li> <li>Excluding the Oxford Nanopore holding, the Group held board seats on 88.6% of portfolio companies valued at greater than £5m by value</li> <li>The Group's IP license portfolio, most notably its economic interest in Zhipp increased materially in the year following rapid clinical development by Metsera and its acquisition by Pfizer in November 2025.</li> </ul>	<p><b>Change from 2024</b> No change</p>
<p><b>4</b></p>	<p><b>The Group may lose key personnel or fail to attract and integrate new personnel</b></p>	<p>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.</p>
<p><b>Link to strategy</b> 2 4 5</p> <p>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.</p>	<p><b>Actions taken by management</b></p> <ul style="list-style-type: none"> <li>Detailed succession plan in place for all senior employees and other selected key-person dependencies</li> <li>Regular compensation benchmarking carried out for all employees</li> <li>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</li> <li>The Group encourages employee development and progression through targeted learning and development activity, coaching and mentoring and supports this through the annual appraisal process</li> <li>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</li> <li>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</li> </ul>	<p><b>Risk appetite</b> Low</p>
<p><b>Examples of risk</b></p> <p>Loss of key executives and employees of the Group or an inability to attract, retain and</p>	<p><b>Development during the year</b></p> <ul style="list-style-type: none"> <li>Continued excellent employee engagement scores obtained in the year from employee engagement surveys, with eNPS of +30</li> </ul>	<p><b>Change from 2024</b> No change</p>

<p>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.</p>	<p>remaining broadly consistent with the previous year (2024: +31), which is within the "very high" category</p> <ul style="list-style-type: none"> <li>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</li> <li>Approximately 66% of employees in place at 31 December 2025 have been with the Company for at least five years</li> <li>The Group experienced a higher number of regretted leavers within its investment teams than in previous years (2025: 3; 2024: 1)</li> </ul>		
<p>5</p>	<p><b>Macroeconomic conditions may negatively impact the Group's ability to achieve its strategic objectives</b></p>	<p>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.</p>	
<p><b>Link to strategy</b> 3</p>	<p>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.</p>	<p><b>Actions taken by management</b></p> <ul style="list-style-type: none"> <li>Senior management receive regular capital market and economic updates from the Group's capital markets team and its brokers</li> <li>Regular capital allocation process and ongoing monitoring against agreed budget</li> <li>Regular oversight of upcoming capital requirements of portfolio from both the Group and third parties</li> <li>The Group's Risk Council monitors key macroeconomic trends that may impact the Group</li> </ul>	<p><b>Risk appetite</b> High</p>
<p><b>Examples of risk</b></p>	<ul style="list-style-type: none"> <li>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</li> <li>Of the Group's portfolio value, 14.7% is held in companies quoted on public markets and therefore subject to market price volatility</li> </ul>	<p><b>Development during the year</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>The Group has maintained significant cash reserves available for investment and as such is well placed to respond to macroeconomic uncertainty</li> </ul>	<p><b>Change from 2024</b> No change</p>
<p>6</p>	<p><b>There may be changes to, impacts from, or failure to comply with, legislation, government policy and regulation</b></p>	<p>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.</p>	
<p><b>Link to strategy</b> 2</p>	<p>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.</p>	<p><b>Actions taken by management</b></p> <ul style="list-style-type: none"> <li>The Group utilises professional advisors as appropriate to support its monitoring of, and response to changes in, tax, insurance or other legislation</li> <li>The Group delivers regular training in areas including bribery and anti-money laundering and regulatory compliance</li> <li>The Group has internal policies and procedures to ensure its compliance with applicable regulations</li> <li>The Group maintains Directors and officers ("D&amp;O") and professional indemnity insurance policies</li> <li>The Group responds to public consultations and is in dialogue with the UK Government in policy areas such as the Enterprise Investment Scheme</li> </ul>	<p><b>Risk appetite</b> Low</p>
<p><b>Examples of risk</b></p>	<ul style="list-style-type: none"> <li>Changes to tax legislation or the nature of the Group's activities, in particular in relation to the Substantial Shareholder</li> </ul>	<p><b>Development during the year</b></p> <ul style="list-style-type: none"> <li>Ongoing focus on regulatory compliance, including third-party reviews and utilisation of specialist advisors</li> </ul>	<p><b>Change from 2024</b> No change</p>

<p>Exemption, may adversely affect the Group's tax position and accordingly its value and operations</p> <ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>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</li> </ul>	
7	<p><b>The Group and its portfolio companies may be subjected to cyber attacks</b></p>	<p>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.</p>
<p><b>Link to strategy</b> 2</p> <p>The Group's strategic objectives of creating and maintaining a portfolio of compelling opportunities to deliver attractive returns for shareholders could be materially impacted by a serious cyber security breach at a corporate or portfolio company level.</p>	<p><b>Actions taken by management</b></p> <ul style="list-style-type: none"> <li>The Group reviews its data and cyber security processes with its external outsourced IT providers and applies the UK Government's "ten steps" framework or other national equivalents where relevant</li> <li>Regular IT management reporting framework in place</li> <li>Internal and third-party reviews of policies and procedures to ensure appropriate framework in place to safeguard data</li> <li>Assessment of third-party suppliers of cloud-based and on-premises systems in use</li> <li>Annual Cyber and IT training is supplemented by regular bite-sized and interactive cyber security training</li> <li>Network and infrastructure security systems to respond to emerging threats</li> <li>Strategic level legal and external communications resource to supplement the Group's response resources in the event of a serious cyber incident</li> </ul>	<p><b>Risk appetite</b> Low</p>
<p><b>Examples of risk</b></p> <ul style="list-style-type: none"> <li>The Group, or one, or a combination of, its portfolio companies could face significant fines from a data security breach</li> <li>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</li> <li>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</li> </ul>	<p><b>Development during the year</b></p> <ul style="list-style-type: none"> <li>Ongoing focus on IT security and staff training</li> <li>Continued programme of phishing and penetration testing</li> <li>Implementation of additional cyber security systems to provide enhanced threat detection</li> <li>A cyber attack simulation was undertaken in the year to rehearse the response to a serious cyber incident.</li> </ul>	<p><b>Change from 2024</b> No change</p>

**Key**

**STRATEGIC PILLARS**

- 1 Have an impact on the world that counts
- 2 Develop our unique insight, expertise and access
- 3 Accelerate value creation
- 4 Build a truly differentiated reputation
- 5 Be a home for exceptional talent

**CHANGE FROM 2024**

- Increase
- Decrease
- No change

**RISK APPETITE**

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

## Viability statement

The Directors have carried out a robust assessment of the viability of the Group over a three-year period to December 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 19 for further details on cash trap arrangements.

Based on this assessment, the Directors have a reasonable expectation that the Group will continue to operate and meets its liabilities, as they fall due, up to December 2028.

## Strategic Report approval

The Strategic Report as set out above has been approved by the Board.

The financial information set out below has been extracted from the Annual Report and Accounts of IP Group plc for the year ended 31 December 2025 and is an abridged version of the full financial statements, not all of which are reproduced in this announcement. Directors' Responsibilities Statement The responsibility statement set out below has been reproduced from the Annual Report and Accounts, which will be published in April 2026, and relates to that document and not this announcement.

Each of the Directors confirms to the best of their knowledge:

- The Group financial statements have been prepared in accordance with UK-adopted International Financial Reporting Standards ("UK-adopted IFRS") and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group.
- The Annual Report and Accounts includes a fair review of the development and performance of the business and the financial position of the Group and the parent company, together with a description of the principal risks and uncertainties that they face.

On behalf of The Board

Sir Douglas Flint

Chairman

16 March 2026

Greg Smith

Chief Executive Officer

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.**

	Note	2025 £m	2024 £m
<b>Portfolio return and revenue</b>			
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
		<b>79.8</b>	<b>(189.5)</b>
<b>Administrative expenses</b>			
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)
		<b>(18.8)</b>	<b>(19.3)</b>
<b>Operating profit/(loss)</b>			
	8	<b>61.0</b>	<b>(208.8)</b>
Finance income		10.2	8.8
Finance costs		(6.4)	(6.7)
<b>Profit/(loss) before taxation</b>			
		<b>64.8</b>	<b>(206.7)</b>
Taxation	11	2.1	(0.3)
<b>Profit/(loss) for the year</b>			
		<b>66.9</b>	<b>(207.0)</b>
<b>Other comprehensive income</b>			
Items that may be subsequently reclassified to the income statement			
Exchange differences on translating foreign operations		0.3	(3.0)
<b>Total comprehensive profit/(loss) for the year</b>			
		<b>67.2</b>	<b>(210.0)</b>
<b>Attributable to:</b>			
Equity holders of the parent		67.1	(205.6)
Non-controlling interest		0.1	(4.4)
		<b>67.2</b>	<b>(210.0)</b>
<b>Earnings/(loss) per share</b>			
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
<b>ASSETS</b>			
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
<b>Total non-current assets</b>		<b>1,078.8</b>	<b>843.8</b>
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
<b>Total current assets</b>		<b>19.8</b>	<b>307.4</b>
<b>Total assets</b>		<b>1,098.6</b>	<b>1,151.2</b>
<b>EQUITY AND LIABILITIES</b>			
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
<b>Retained earnings</b>		<b>851.3</b>	<b>842.2</b>
<b>Total equity attributable to equity holders</b>		<b>975.1</b>	<b>966.0</b>
Non-controlling interest		–	(13.5)
<b>Total equity</b>		<b>975.1</b>	<b>952.5</b>
Current liabilities			
Trade and other payables	19	3.0	12.5
Borrowings	20	119.7	6.3
<b>Total current liabilities</b>		<b>122.7</b>	<b>18.8</b>
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
<b>Total non-current liabilities</b>		<b>0.8</b>	<b>179.9</b>
<b>Total liabilities</b>		<b>123.5</b>	<b>198.7</b>
<b>Total equity and liabilities</b>		<b>1,098.6</b>	<b>1,151.2</b>

Registered number: 04204490

The accompanying notes form an integral part of the financial statements. 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:

<b>Greg Smith</b>	<b>David Baynes</b>
Chief Executive Officer	Chief Financial Officer

**CONSOLIDATED STATEMENT OF CASH FLOWS.  
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	2025 <sup>(1)</sup> £m	2024 £m
<b>Operating activities</b>			
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
<b>Net cash outflow from operating activities</b>		<b>(19.5)</b>	<b>(25.1)</b>
<b>Investing activities</b>			
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)	–
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(20.7)</b>	<b>82.9</b>
<b>Financing activities</b>			
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)
<b>Net cash (outflow) from financing activities</b>		<b>(58.9)</b>	<b>(42.9)</b>
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)
<b>Cash and cash equivalents at the end of the year</b>		<b>16.5</b>	<b>115.6</b>

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

- 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 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 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 above.

#### 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 16<sup>th</sup> 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:

<b>Name of subsidiary undertakings</b>	<b>Nature of business</b>	<b>% ownership</b>
Top Technology Ventures Limited <sup>(iii)</sup>	Investment and corporate finance advisor	100.0
IP Venture Fund II (GP) LLP <sup>(iii)</sup>	General partner	100.0
IP Ventures (Scotland) Limited <sup>(iii)</sup>	General partner	100.0
IP2IPO Portfolio (GP) Limited <sup>(iii)</sup>	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 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:

<b>Name</b>	<b>Interest in Limited partnership %</b>
IP Venture Fund II LP ("IPVFII")	<b>33.3</b>

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

#### 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.

#### *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 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 above, 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 below summarises the interest rate profile of the Group.

	2025				2024			
	Fixed rate £m	Floating rate £m	Interest free £m	Total £m	Fixed rate £m	Floating rate £m	Interest free £m	Total £m
<b>Financial assets</b>								
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
<b>Total</b>	<b>123.0</b>	<b>87.9</b>	<b>887.2</b>	<b>1,098.1</b>	<b>180.8</b>	<b>104.4</b>	<b>864.2</b>	<b>1,149.4</b>
<b>Financial liabilities</b>								
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)
<b>Total</b>	<b>(119.7)</b>	<b>–</b>	<b>(3.8)</b>	<b>(123.5)</b>	<b>(129.1)</b>	<b>–</b>	<b>(69.6)</b>	<b>(198.7)</b>

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.

#### 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 <sup>1</sup>	78.1	78.6
Other <sup>2</sup>	0.1	0.1

<b>Total deposits and cash and cash equivalents (including cash and deposits held within investment entity subsidiaries)</b>	<b>211.0</b>	<b>285.6</b>
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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.

## 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.

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
<b>Portfolio return and revenue</b>								
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
<b>Administrative expenses<sup>1</sup></b>								
Carried interest plan release <sup>1</sup>					7.0	7.0	–	7.0
Share-based payment charge <sup>1</sup>					(2.0)	(2.0)	(0.4)	(2.4)
Other administrative expenses <sup>1</sup>					(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 <sup>1</sup>					9.6	9.6	0.6	10.2
Finance costs <sup>1</sup>					(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 <sup>1</sup>					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
<b>STATEMENT OF FINANCIAL POSITION</b>								
Assets	561.4	102.0	144.3	158.8	216.2	1,080.7	17.9	1,098.6
Liabilities <sup>1</sup>					(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
<b>Other segment items</b>								
Portfolio investment	(26.1)	–	(29.3)	(12.4)	(2.7)	(70.5)	–	(70.5)
Cash proceeds	49.1	4.0	10.5	2.9	54.7	68.1	–	68.1

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

<sup>2</sup> Note 29 details the Alternative Performance Measures (“APM”)

#### 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
<b>Portfolio return and revenue</b>								
Change in fair value of equity and debt investments	(126.0)	(65.6)	(45.6)	(75.1)	0.6	(246.1)	–	(246.1)
(Loss)/gain on disposal of equity and debt investments	7.5	(0.7)	56.1	–	0.1	63.7	–	63.7
Change in fair value of limited and limited liability partnership interests					(12.6)	(12.6)	–	(12.6)
Revenue from services and other income					0.3	0.3	5.2	5.5
	(118.5)	(66.3)	10.5	(75.1)	(11.6)	(194.7)	5.2	(189.5)
<b>Administrative expenses<sup>1</sup></b>								

Carried interest plan credit <sup>1</sup>					7.9	7.9	–	7.9
Share-based payment charge <sup>1</sup>					(1.6)	(1.6)	(0.3)	(1.9)
Other administrative expenses <sup>1</sup>					(19.8)	(19.8)	(5.5)	(25.3)
					(13.5)	(13.5)	(5.8)	(19.3)
<b>Operating loss</b>	(118.5)	(66.3)	10.5	(75.1)	(25.1)	(208.2)	(0.6)	(208.8)
Finance income <sup>1</sup>					8.1	8.1	0.7	8.8
Finance costs <sup>1</sup>					(6.7)	(6.7)	–	(6.7)
<b>Loss before taxation</b>	(118.5)	(66.3)	10.5	(75.1)	(23.7)	(206.8)	0.1	(206.7)
Taxation <sup>1</sup>					(0.3)	(0.3)	–	(0.3)
<b>Loss for the year</b>	(118.5)	(66.3)	10.5	(75.1)	(24.0)	(207.1)	0.1	(207.0)

## STATEMENT OF FINANCIAL POSITION

Assets	463.1	106.6	101.1	215.9	352.0	1,132.1	19.1	1,151.2
Liabilities <sup>1</sup>					(191.8)	(191.8)	(6.9)	(198.7)
<b>Net Assets</b>	463.1	106.6	101.1	215.9	160.2	940.3	12.2	952.5
<b>Other segment items</b>								
Portfolio investment <sup>2</sup>	(36.3)	(1.0)	(8.5)	(15.7)	(2.5)	(63.0)	–	(63.0)
Cash proceeds <sup>2</sup>	30.4	1.6	148.9	–	4.1	183.4	–	183.4

<sup>3</sup> These amounts cannot be apportioned to the individual segments of the venture capital investing business.

<sup>4</sup> Note 29 details the Alternative Performance Measures (“APM”)

## 7. Auditor’s remuneration

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

	2025	2024
	£000	£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
<b>Total assurance services</b>	<b>800.0</b>	<b>863.7</b>

## 8. Operating profit/(loss)

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

	2025	2024
	£m	£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	2024
	£m	£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
<b>Total</b>	<b>23.4</b>	<b>25.3</b>

## 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 in the Group's Annual Report and Accounts and note 22 for further details.

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
<b>Employee costs</b>	<b>14.4</b>	<b>17.1</b>
Share-based payment charge (see note 22)	2.4	1.9
<b>Total employee costs</b>	<b>16.8</b>	<b>19.0</b>

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 in the Group's Annual Report and Accounts.

## 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
<b>Total tax</b>	<b>(2.1)</b>	<b>0.3</b>

The Group primarily seeks to generate capital gains from its holdings in spin-out companies over the longer term. The majority of these capital gains qualify for UK Substantial Shareholding Exemption ("SSE") and are therefore not taxable, resulting in the Group making annual net operating losses from its operations from a UK tax perspective.

Gains arising on sales of holdings which do not qualify for SSE will ordinarily give rise to taxable profits for the Group, to the extent that these exceed the Group's ability to offset gains against current and brought forward tax losses (subject to the relevant restrictions on the use of brought-forward losses). In such cases, a deferred tax liability is recognised in respect of estimated tax amount payable.

The amount for the year can be reconciled to the 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
<b>Total tax charge</b>	<b>(2.1)</b>	<b>0.3</b>

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)
<b>Total unrecognised deferred tax asset</b>	<b>(20.8)</b>	<b>(5.2)</b>	<b>(333.0)</b>	<b>(83.0)</b>

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)
<b>Total recognised deferred tax liability</b>	<b>3.2</b>	<b>0.8</b>	<b>18.0</b>	<b>4.5</b>

## 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)

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).

### 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.

##### Financial assets

	At fair value through profit or loss £m	Amortise d 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
<b>At 31 December 2025</b>	<b>1,078.4</b>	<b>19.8</b>	<b>1,098.2</b>
Equity investments	713.8	–	713.8
Debt investments	51.6	–	51.6
Limited and limited liability partnership interests	58.1	–	58.1
Assets held for sale	13.9	–	13.9
Trade and other receivables	–	6.3	6.3
Receivables on sale of debt and equity investments	20.1	–	20.1
Deposits	–	170.0	170.0
Cash and cash equivalents	–	115.6	115.6
<b>At 31 December 2024</b>	<b>857.5</b>	<b>291.9</b>	<b>1,149.4</b>

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.

#### 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.

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

	<b>Level 1</b>	<b>Level 3</b>		
	<b>Equity investmen ts in quoted spin-out companies</b>	<b>Unquoted equity investmen ts in spin- out companies</b>	<b>Debt investmen ts in unquoted spin-out companies</b>	<b>Total £m</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	
<b>At 1 January 2024</b>	<b>203.8</b>	<b>807.7</b>	<b>83.7</b>	<b>1,095.2</b>
Investments	1.5	40.9	18.4	60.8
Transaction-based reclassifications	0.3	49.5	(49.8)	–
Other transfers between hierarchy levels	–	–	–	–
Disposals	(11.8)	(116.6)	(1.0)	(129.4)
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 <sup>1</sup>	(53.7)	(187.4)	1.7	(239.4)
FX translation <sup>1</sup>	0.1	(5.5)	(1.3)	(6.7)
<b>At 1 January 2025</b>	<b>133.1</b>	<b>580.7</b>	<b>51.6</b>	<b>765.4</b>
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 <sup>1</sup>	2.1	(65.2)	(1.7)	(64.8)
FX translation <sup>1</sup>	(2.9)	(1.9)	(0.5)	(5.3)
Change in investment entity status <small>(note 28)</small>	(133.3)	(507.1)	(75.3)	(715.7)
<b>At 31 December 2025</b>	<b>–</b>	<b>–</b>	<b>3.4</b>	<b>3.4</b>

<sup>1</sup> 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).

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.

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

## 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.

<b>Limited &amp; Limited Liability Partnerships</b>	<b>Functional currency</b>	<b>Status</b>	<b>2025 £m</b>	<b>2024 £m</b>
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
<b>Total</b>			<b>1.2</b>	<b>58.1</b>

<b>Limited &amp; Limited Liability Partnerships movements in year</b>	<b>£m</b>
<b>At 1 January 2024</b>	<b>69.7</b>
Investments during the year	2.2
Distribution from Limited Partnership funds	(1.2)
Change in fair value during the year	(13.1)
Currency revaluation	0.5
<b>At 1 January 2025</b>	<b>58.1</b>
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)
<b>At 31 December 2025</b>	<b>1.2</b>

The Group considers interests in limited and limited liability partnerships to be level 3 in the fair value hierarchy throughout the current and previous financial years.

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
<b>Total deferred and contingent consideration</b>	<b>–</b>	<b>20.1</b>

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)
<b>Gain on disposal</b>	<b>37.5</b>	<b>63.7</b>

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.

## 18. Trade and other receivables

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

The Directors consider the carrying amount of trade and other receivables at amortised cost to approximate their fair value. All receivables are interest free, repayable on demand and unsecured.

## 19. Trade and other payables

<b>Current liabilities</b>	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
<b>Trade and other payables</b>	<b>3.0</b>	<b>12.5</b>

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

<b>Current liabilities</b>	2025 £m	2024 £m
Borrowings	119.7	6.3
<b>Total</b>	<b>119.7</b>	<b>6.3</b>

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

**(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:

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

**(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.

<b>Description</b>	<b>Initial amount</b>	<b>Outstanding amount</b>	<b>Date drawn</b>	<b>Interest rate</b>	<b>Repayment commencement date &amp; terms</b>
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
<b>Total</b>	<b>£120.0m</b>	<b>£120.0</b>			

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.

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 financial covenants and cash trap provisions 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
<b>Total<sup>1</sup></b>	<b>138.6</b>	<b>154.3</b>

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
<b>Total<sup>1</sup></b>	<b>120.0</b>	<b>129.4</b>

<sup>1</sup> 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)	–
<b>At 31 December</b>	<b>119.7</b>	<b>129.1</b>

There were no non-cash movements in debt.

## 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	
	Number	£m	Number	£m
Issued and fully paid:				
<b>Ordinary shares of 2p each</b>				
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)
<b>Share capital at 31 December</b>	<b>883,427,642</b>	<b>17.8</b>	<b>975,286,268</b>	<b>19.5</b>
<b>Existing treasury shares at 1 January</b>	–	–	(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
<b>Outstanding at 31 December</b>	<b>883,427,642</b>	<b>17.8</b>	<b>975,286,268</b>	<b>19.5</b>

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.

## 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 in the Group's Annual Report and Accounts.

### 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)	–	–	–
<b>At 31 December</b>	<b>2,322,493</b>	<b>–</b>	<b>2,138,580</b>	<b>–</b>
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 in the Group's Annual Report and Accounts.

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	–
<b>At 31 December</b>	<b>21,318,189</b>	<b>–</b>	<b>17,710,631</b>	<b>–</b>
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

### 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 in the Group's Annual Report and Accounts.

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)	–
<b>At 31 December</b>	<b>–</b>	<b>–</b>	<b>1,064,505</b>	<b>–</b>
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 £m	2024 £m
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)	–
<b>At 31 December</b>	<b>–</b>	<b>27.3</b>

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.

### 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			%
		Number of shares held at 1 January 2025	shares acquired/ (disposed of) in the period	Number of shares held at 31 December 2025	
<b>Greg Smith</b>	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%	
<b>David Baynes</b>	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 <sup>1</sup>	424	–	424	0.11%
<b>Mark Reilly</b>	AudioScenic Limited	53	–	53	<0.1%
	Bramble Energy Limited <sup>1</sup>	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%

<sup>1</sup> Company being closed down.

### 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 <sup>1</sup>	2,180	2,176
Post-employment benefits <sup>2</sup>	35	48
Share-based payments <sup>3</sup>	842	615
<b>Total</b>	<b>3,057</b>	<b>2,839</b>

<sup>1</sup> Represents key management personnel's base salaries, benefits including cash in lieu of pension where relevant, and the cash-settled element of the Annual Incentive Scheme.

<sup>2</sup> Represents employer contributions to defined contribution pension and life assurance plans.

<sup>3</sup> Represents the accounting charge for share-based payments, reflecting LTIP and DBSP options currently in issue as part of these schemes. See note 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	(20.1)	(125.7)

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

### 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.

### 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
<b>Total at 31 December 2025</b>		<b>34.8</b>	<b>33.5</b>	<b>1.3</b>

#### 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
<b>Total at 31 December 2024</b>		<b>34.8</b>	<b>33.4</b>	<b>1.4</b>

### 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

### 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.

#### 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.

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.

		<b>2025</b>
<b>Investments in investment entity subsidiaries</b>	Note	<b>£m</b>
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
<b>Portfolio investments held within investment entity subsidiaries<sup>1</sup></b>	Note 29	<b>903.5</b>
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)
<b>Equity investments in investment entity subsidiaries</b>		<b>1,073.8</b>

<sup>1</sup> 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 the 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.

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

### 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 Zhipp/Metsera. Under this exclusive IP licence agreement between IP2IPO Innovations Limited and Zhipp / 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 Fitzgerald, Bank of America and Guggenheim
- projected sales forecasts, which have been derived using the mean of equity analyst research<sup>2</sup> 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.

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 <sup>1</sup>
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%)

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

Under the DCF methodology, in the event that 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 16<sup>th</sup> 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	at 31 Dec 2024 £m
Oxford Nanopore Technologies plc	Quoted bid price	102.0	106.6

Istesso Limited <sup>1</sup>	DCF	89.6	91.9
Hysata Pty Ltd <sup>2</sup>	Funding transaction > 12 months, PWERM	76.2	76.8
Mission Therapeutics Limited	Funding transaction > 12 months, PWERM	26.2	22.5
Nexxon Limited	Funding transaction < 12 months, PWERM	19.8	18.8
Oxa Autonomy Limited	Funding transaction < 12 months, PWERM	19.4	42.7
CoreWeave, Inc. <sup>3</sup>	Sale process	18.5	0.0
<b>Total</b>		<b>351.7</b>	<b>359.3</b>

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.

	Level 1	Level 3		Total £m
	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	
<b>At 31 December 2025</b>	<b>133.2</b>	<b>504.0</b>	<b>72.1</b>	<b>709.3</b>
<b>At 31 December 2024</b>	<b>133.1</b>	<b>580.7</b>	<b>51.6</b>	<b>765.4</b>

### Valuation inputs and sensitivities

Unobservable inputs are typically portfolio company-specific and, based on a materiality assessment, are not considered significant either at an individual company level or in aggregate where relevant for common factors such as discount rates.

The sensitivity analysis table below has been prepared in recognition of the fact that some of the valuation methodologies applied by the Group in valuing the portfolio investments involve subjectivity in their significant unobservable inputs. Furthermore, given that many of the Group's portfolio are the early stage or growth stage of development, their valuations can be significantly impacted by factors including, but not limited to, the availability of financing, technical and commercial setbacks, market developments and regulatory approvals.

The table illustrates the possible impact on valuation of different sensitivities. The varying levels of sensitivity applied in the table below are intended to reflect the relative level of judgment in applying the valuation approach. Additional analysis for Istesso Limited 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		Fair value of investments		
		Positive impact	Negative impact	Positive impact	Negative impact	2024		
	2025 £m	£m	£m	% of NAV	% of NAV	2024 £m		
Quoted	133.2	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	<b>159.1</b>		+/-10	15.9	1.6	(15.9)	(1.6)	54.9
Other: Future market/commercial events	<b>75.3</b>	Estimated impact of future event	+/-10	7.5	0.8	(7.5)	(0.8)	60.7
		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						
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*	<b>58.0</b>	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*	<b>13.4</b>	Estimate of future recurring revenues	+/-10	1.3	0.1	(1.3)	(0.1)	13.1
		Selection of comparable companies						
		Discount/premium to multiple						
Other: DCF*	<b>92.2</b>	Clinical trial success rates	+/-20	18.4	1.9	(18.4)	(1.9)	97.2
		Estimate of likelihood, value and structure of a potential pharmaceutical partnership						
		Discount rates						
<b>Total</b>	<b>709.3</b>			<b>63.7</b>	<b>6.5</b>	<b>(63.7)</b>	<b>(6.5)</b>	<b>765.4</b>

\* 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 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 <sup>1</sup>
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%

<sup>1</sup> 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.

#### 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
<b>Total</b>	<b>212.2</b>	<b>2.1</b>

	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
<b>Total</b>	<b>209.4</b>	<b>2.1</b>

#### 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 16<sup>th</sup> 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

<b>Total</b>	<b>40.7</b>
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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.

#### 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 16<sup>th</sup> 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
<b>Total</b>		<b>54.4</b>

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 Zhipp 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 the 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 <sup>1</sup>
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
<b>Total</b>	<b>19.4</b>

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.

## 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
<b>At 31 December 2025</b>	<b>16.0</b>

### **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
<b>At 31 December 2025</b>	<b>18.3</b>

## 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.

APM	Reference for reconciliation	Definition and purpose	Calculation		
			2025 £m	2024 £m	
NAV per share	Primary statements note 21	NAV per share is defined as Net Assets	NAV	£975.1m	£952.5m
		divided by the number of outstanding	Shares in issue	883,427,642	975,286,268
		shares.	NAV per share	110.4p	97.7p
		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.

<b>Return on NAV</b>	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 Excluding: <u>Share-based payment charge</u>	<b>67.2</b>  <b>2.4</b>	(210.0)  1.9
			<b>Return on NAV</b>	<b>69.6</b>	(208.1)
<b>Net portfolio gains/(losses)<sup>1</sup></b>	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 Gain on disposal of equity investments Change in fair value of LP interests <sup>2</sup> Gain on deconsolidation of subsidiaries excluding deferred tax asset recognition	<b>(70.1)</b> <b>37.5</b> <b>(12.8)</b> 117.8 (8.4)	(246.1) 63.7 (12.6) — —
			<b>Net portfolio gains/(losses)</b>	<b>64.0</b>	(195.0)
<b>Total portfolio<sup>2</sup></b>	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 Debt investments LP interests Assets held for sale Receivable on sale of debt and equity investments (long term) Receivable on sale of debt and equity investments (short term) Revenue Share Liability Portfolio investments held within investment entity subsidiaries	<b>—</b> <b>3.4</b> <b>1.2</b> <b>—</b> <b>—</b> <b>—</b> <b>—</b> <b>903.5</b>	713.8 51.6 58.1 13.9 18.5 1.6 (5.4) —
			<b>Total portfolio</b>	<b>908.1</b>	852.1
<b>Portfolio investment</b>	Primary statements	Portfolio investment is defined as the purchase of equity and debt investments plus investments into limited partnership interests.  This gives a combined measure of investment into the Group's portfolio.	Purchase of equity and debt investments Investment in limited and limited liability partnerships <b>Portfolio investment</b>	<b>(68.0)</b> <b>(2.5)</b> <b>(70.5)</b>	(60.8) (2.2) (63.0)
<b>Cash proceeds</b>	Primary statements	Cash proceeds is defined as the proceeds from the disposal of equity and debt investments plus distributions received from limited partnership interests.	Proceeds from the sale of equity investments Distributions from limited partnership funds Proceeds from assets held for sale	<b>52.5</b> <b>5.6</b> <b>10.0</b>	182.2 1.2 —
			<b>Cash proceeds</b>	<b>68.1</b>	183.4
<b>Net overheads</b>	Financial review, note 9	Net overheads are defined as the Group's core overheads less operating income. The measure reflects the	Other income Other administrative expenses Excluding:	<b>7.4</b> <b>(23.4)</b>	5.5 (25.3)

Group's controllable net operating "cash-equivalent" central cost base.	Non-portfolio foreign exchange movements	0.1	(2.7)
	Restructuring costs – labour	—	2.4
	Restructuring costs – professional	—	0.3
	<b>Net overheads</b>	<b>(15.9)</b>	<b>(19.8)</b>

<b>Gross cash and deposits<sup>3</sup></b>	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	—
			<b>Gross cash and deposits</b>	<b>211.0</b>	<b>285.6</b>

<b>Simple return on capital (%)</b>	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.	<b>Net portfolio/(losses)</b>	<b>64.0</b>	<b>(195.0)</b>
			<b>Opening total portfolio value</b>	<b>852.1</b>	<b>1,167.7</b>
			<b>Simple return on capital (%)</b>	<b>8%</b>	<b>(17%)</b>

<b>% Return on NAV (%)</b>	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.	<b>Return on NAV</b>	<b>69.6</b>	<b>(208.1)</b>
			<b>Opening Net Asset Value</b>	<b>952.5</b>	<b>1,190.3</b>
			<b>Return on NAV (%)</b>	<b>7%</b>	<b>(17%)</b>

- Gains or losses from changes in investment entity status are reported within Net portfolio gains/(losses).
- Total portfolio now includes investments within investment entity subsidiaries and deferred consideration and revenue share amounts.
- 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.

### 30. Post balance sheet events

There were no post balance sheet events noted.

**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
<b>ASSETS</b>				
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)	–	–
<b>Total non-current assets</b>	<b>1,067.2</b>	<b>11.6</b>	<b>1,078.8</b>	<b>843.8</b>
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
<b>Total current assets</b>	<b>235.8</b>	<b>(216.0)</b>	<b>19.8</b>	<b>307.4</b>
<b>Total assets</b>	<b>1,303.0</b>	<b>(204.4)</b>	<b>1,098.6</b>	<b>1,151.2</b>
<b>EQUITY AND LIABILITIES</b>				
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
<b>Total equity attributable to equity holders</b>	<b>988.5</b>	<b>(13.4)</b>	<b>975.1</b>	<b>966.0</b>
Non-controlling interest	(13.4)	13.4	–	(13.5)
<b>Total equity</b>	<b>975.1</b>	<b>–</b>	<b>975.1</b>	<b>952.5</b>
Current liabilities				
Trade and other payables	11.1	(8.1)	3.0	12.5
Borrowings	122.8	(3.1)	119.7	6.3
<b>Total current liabilities</b>	<b>133.9</b>	<b>(11.2)</b>	<b>122.7</b>	<b>18.8</b>
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
<b>Other non-current liabilities</b>	<b>156.0</b>	<b>(156.0)</b>	<b>–</b>	<b>5.4</b>
<b>Total non-current liabilities</b>	<b>194.0</b>	<b>(193.2)</b>	<b>0.8</b>	<b>179.9</b>
<b>Total liabilities</b>	<b>327.9</b>	<b>(204.4)</b>	<b>123.5</b>	<b>198.7</b>
<b>Total equity and liabilities</b>	<b>1,303.0</b>	<b>(204.4)</b>	<b>1,098.6</b>	<b>1,151.2</b>