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("IP Group" or "the Group" or "the Company")
Half-yearly results

Good progress on exits with more in pipeline; encouraging developments in key portfolio companies, maintaining balance sheet strength remains a priority

IP Group plc (LSE: IPO), which invests in breakthrough science and innovation companies with the potential to create a better future for all, today announces its financial results for the six months ended 30 June 2024.

Good progress on exits with the pipeline of future cash realisations strong through to the end of 2025; the pipeline includes a number of transactions at an advanced stage of negotiation

- Agreed sale of Garrison Technology Ltd ("Garrison") to Everfox in the period; sale completed in August with £30m proceeds received.
- Cash proceeds[i] of £3.4m in the period with a further £41.2m already received (including Garrison) in the second half (HY23: £32.2m; FY23: £38.6m).
- Further exits expected including several at an advanced stage of negotiation and would be expected to take place at or above 2023 year end carrying values.

Encouraging developments within our maturing portfolio

- £380m of total capital raised by portfolio in the period (HY23: £299m; FY23: £667m).
- **Healthier future (Life Sciences):** Four companies reported positive clinical trial data; awaiting trial data readout from Istesso Phase 2b for Leramistat in rheumatoid arthritis; Mission and Enterprise closed significant investment rounds to fund the next stage of clinical development.
- **Tech-enriched future (Deeptech):** Agreed sale of Garrison to US-based cybersecurity firm Everfox for proceeds of £30m; continued strong revenue growth at Featurespace with FY23 revenues increasing 46.5% to £50.4m.
- **Regenerative future (Cleantech):** Hysata completed its oversubscribed 111m Series B funding round, the largest Series B in Australian cleantech history and which was reflected in our 2023 year end valuation. Refocussed plan at First Light Fusion with management team strengthened by addition of experienced Acting CEO. Record-breaking test of the company's amplifier technology at leading US fusion lab Sandia.

Focus on maintaining financial strength

- Maintained strong balance sheet and good liquidity with gross cash and deposits(i) of £161.3m (HY23: £250.0m; FY23: £226.9m).
- Net overheads(i) reduced by 16% (£1.6m) to £8.7m.
- Invested £49.1m into the portfolio across 23 companies within our three high-growth sectors.
- NAV per share(i) declined to 104.7p (-9%), driven primarily by a fair value decrease in the market value of listed holding Oxford Nanopore, some of which has reversed in the second half.
- Third party managed funds stood at £637m (HY23: £689m FY23: £650m), with more than £90m available for investment.

Delivering shareholder returns

- Completed £8.1m of the £20m share buyback launched in December 2023 in the period, with the remainder now complete as at the announcement date.
- Announced the intention to increase the Group's current share buyback programme by a further £10m. Future cash returns expected to be in the form of share buybacks when the share price discount to NAV exceeds 20%.

Post period-end update

- Additional cash proceeds of £41.2m since 30 June; gross cash and deposits of £183.7m as at end August 2024
- Fair value of the Group's holdings in listed companies experienced a net fair value increase of £52m in the period since 30 June, including ONT increasing by £43m
- More than £10m cash realised from the sale of other stakes in a small number of portfolio companies in July.
- Additional proceeds expected from the announced Intelligent Ultrasound Group plc's material disposal transaction
- Over £95m of total cash returned to shareholders through dividends and share buybacks since 2021

- We are now seeing strong signs of improvement in the private tech sector, reflected in a strong pipeline of exits and interest in our portfolio.
- Focus on costs has accelerated since the half-year, with a planned reduction in net overheads(i) of over 25% on an annualised basis by the year end.
- Hostplus committed an additional A 125m to the IP Group Hostplus Innovation fund, taking total funds committed to A 435m.

Summary financials

	HY to 30 June 2024 (unaudited)	HY to 30 June 2023 (unaudited)	FY 2023 (audited)
Net Asset Value (NAV)	**£1,072.2m**	£1,313.6m	£1,190.3m
NAV per share	**104.7pps**	126.7pps	114.8pps
% Return on NAV (i)	**-9%**	-4%	-13%
Loss for the period/year	**(£109.9m)**	(£54.5m)	(£174.4m)
Total portfolio (i)	**£1,111.0m**	£1,276.1m	£1,164.9m
Gross cash and deposits (i)	**£161.3m**	£250.0m	£226.9m
Cash proceeds(i)	**£3.4m**	£32.2m	£38.6m
Portfolio investment (i)	**£49.1m**	£59.8m	£73.2m

(i) Note 12 details the Alternative Performance Measures ("APM")

Greg Smith, Chief Executive of IP Group, said: *"The Group has made progress on delivering cash proceeds in the year to date, and has a strong pipeline of future realisations, some at an advanced stage of negotiation. We are seeing improvement in market sentiment toward private transactions in the areas in which we operate, which has been reflected in our ability to realise investments. Furthermore, we expect these exits to take place at or above their carrying values at the end of last year, validating our prudent approach to portfolio valuation. As a result, the Group remains in a strong financial position with £183.7m of gross cash at the end of August which is particularly important in the current environment.*

The Board remains committed to delivering shareholder returns that include a regular cash component from realisations. With a share price discount to NAV of more than 20%, we have not only accelerated our buyback programme in the period and have now bought back £20.0m of shares under our planned programme but also plan to increase it by an additional £10m.

As the UK's most active investor in university spinouts, we are pleased with the progress in our portfolio in our three thematic sectors, with our portfolio continuing to mature and attract commercial and strategic interest, and we continue to believe we remain well positioned to deliver good financial returns for our shareholders."

Webinar

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

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This half-yearly report 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 portfolio companies within the Group's portfolio of investments. Throughout this Half-Yearly Report, the Group's holdings in portfolio companies reflect the undiluted beneficial equity interest excluding debt, unless otherwise explicitly stated.

Interim Management Report

Summary

IP Group is one of the companies most closely aligned with the UK's 'science superpower' ambition, having already formed more than 500 science-based businesses. Combining university relationships with deep sector experience and networks allows us to access highly differentiated dealflow in the pursuit of our purpose of accelerating the power of science for a better future. The Group is one of the largest and most experienced investors in University IP in the world. By starting and growing businesses driving improved health outcomes, the energy transition and the digital transformation, we continue to believe that we can have a significant impact on some of society's biggest needs and deliver compelling financial returns for our shareholders. Our current portfolio contains a number of companies including Oxford Nanopore, Istesso, Featurespace, Oxa, Hysata, First Light Fusion and Hinge Health, among others, with the potential for billion-dollar exit valuations.

While the overall market environment for growth companies and early-stage investing remained challenging in the first half of 2024, several factors such as the increase in corporate M&A activity, including the sale of one of our leading portfolio companies, gives us increasing confidence that conditions are improving. We were also encouraged by the fundraisings that our companies achieved, reflecting the quality of our portfolio. Our portfolio successfully raised a total of £380m of funding of which IP Group contributed £49.1m (HY23: £298m, £59.8m; FY23: £667m, £73.2m). Notable transactions in the period included the oversubscribed US 111m fundraise by Hysata, the largest Series B in Australian cleantech history (which was reflected in our 2023 year end valuation), the £35m raise by Genomics to accelerate the adoption of polygenetic risk scores, the £26m raise by Enterprise Therapeutics to fund its Ph2a clinical proof of concept trial in cystic fibrosis and the £25m Series D raise by Mission Therapeutics to progress its clinical candidates in the area of mitophagy.

In the ongoing uncertain private financing environment, maintaining our financial strength continues to remain key and we have therefore placed a greater focus on exits, revenue generation and on cost reduction to ensure the Group remains appropriately sized and well positioned. The Group finished the period with £161.3m gross cash and deposits. Additional cash proceeds of £41.2m received since 30 June has increased gross cash and deposits to £183.7m as at the end of August 2024.

They key exit in the period was the sale of Garrison to Everfox which was agreed in June and completed in August, delivering £30m of cash post period end. Additional post period end exits have included the sale of stakes in a small number of portfolio companies for more than £10m of cash in aggregate. In addition, Intelligent Ultrasound Group plc entered into a conditional sale and purchase agreement for the sale of its Clinical AI business to GE HealthCare for an enterprise value of £40.5m. IP Group has a 20.8% stake in Intelligent Ultrasound, which has pledged an intention to make a "material return of capital" to its shareholders. As a result, cash proceeds were £3.4m in the period with a further £41.2m received in the second half (HY23: £32.2m; FY23: £38.6m). It is pleasing to note that all of these transactions have been at or above current carrying levels, validating the cautious valuation approach which underpins our reported NAV.

We have also continued to focus capital and time on the most promising opportunities within the three high-growth sectors where we have deep expertise and experience. It is good to report that in life sciences, four companies (Storm, Kynos, Abliva and Mission) reported positive clinical trial data, albeit there was one trial failure (which had largely been reflected in our 2023 year end valuation). The Group has yet to receive any information from Istesso Ltd on the outcome of its Phase 2b trial for Leramistat (MBS20320) in rheumatoid arthritis and will update the market as soon as is practicable once it has received the information. In deeptech, we welcomed the sale of Garrison to US-based cybersecurity firm Everfox (formerly Forcepoint Federal) along with confirmation of continued strong growth at Featurespace where the company confirmed that 2023 revenues had increased 46.5% to £50.4m. In cleantech, Hysata completed its oversubscribed 111m Series B funding round, the largest Series B in Australian cleantech history.

Financial results: Progress on exits, reduced net overheads; strong cash balance

The Group has continued to proactively manage its level of investment during the period and, as a result, remains in a strong financial position with gross cash and deposits of £161.3m at 30 June 2024 (HY23: £250.0m; FY23: £226.9m). The Group invested £49.1m (HY23: £59.8m; FY23: £73.2m) in the period including notable investments into portfolio companies Hysata (£11.7m), Istesso £10.0m, Pulmocide (£3.7m) and Mission Therapeutics (£3.7m) as well as a number of smaller size investments into current and new opportunities across all three of our thematic areas. Cash proceeds were in line with expectations at £3.4m. The Group's portfolio continues to remain well-funded, with over two thirds of the portfolio currently funded into 2026 or beyond.

By eliminating several operating costs and increasing focus on revenues, we have nullified the effect of any inflationary cost increases and reduced the net overheads during the period from £10.3m to £8.7m. We recognise that NAV has fallen in recent periods which has increased the ratio between overheads and the portfolios we manage. To this end, we have continued to focus on cost reductions since the period end as we streamline our business by consolidating our functions further. In this way we anticipate reducing our overheads by over 25% on an annualised basis by the year end.

As at 30 June 2024, the Group's Net Asset Value was £1,072.2m, or 104.7 pence per share (HY23: £1,313.6m, or 126.7pps; FY23: £1,190.3m, or 114.8pps), a decline of 10.1pps resulting from the loss of £109.9m in the period (HY23: Loss of £54.5m; FY23: Loss of £174.4m).

The Group's portfolio recorded net portfolio losses of £103.0m in the period, driven by Oxford Nanopore which represented £94.9m of the decrease. Within the private portfolio valuation decreases including at Ultraleap Holdings and First Light Fusion were largely offset by gains elsewhere in the portfolio, most notably Featurespace.

Overview of business performance including thematic focus & holdings

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

All £m unless stated	Invested	Cash proceeds	Net portfolio gain/(loss)	Fair value at 30 June 2024	Simple return on capital (%)
Healthier future: Life Sciences (ex ONT)	33.9	2.5	(4.2)	424.4	(1%)
Healthier future: ONT	-	-	(94.9)	78.7	(55%)
Tech-enriched future: Deeptech	2.0	0.1	9.5	242.8	4%
Regenerative future: Cleantech (Kiko Ventures)	12.8	-	(12.7)	275.4	(5%)
Platform investments	0.4	0.8	(0.7)	89.7	(1%)
Total Portfolio	**49.1**	**3.4**	**(103.0)**	**1,111.0**	**(9%)**

Third-party funds under management

The Group has a flexible approach to capital that combines balance sheet monies with earlier-stage, tax-advantaged funds as well as later-stage private capital and now manages or advises £637m (HY23: £689m, FY23: £650m). Approximately three-quarters of the Group's private capital, £482m, is managed by Parkwalk, the Group's specialist EIS fund management subsidiary (FY23: £469m, HY23: £497m), including funds managed in conjunction with the universities of Oxford, Cambridge, Bristol, and Imperial College London.

Parkwalk invested £17.5m in the first six months of 2024 (HY23: £24.0m; FY23: £45.1m) in the university spin-out sector across 20 companies (HY23: 16 investments; FY23 27 investments). Again, a report from market data provider Beauhurst shows that IP Group and Parkwalk are by far the UK's leading investor in the sector. Fifteen new companies joined the Parkwalk portfolio, and one escrow release from a previous exit was distributed to underlying investors. Three portfolio companies closed funding rounds at uplifts in valuation, one unchanged and four at lower valuations than the previously held value. These companies raised c.£60m in funding in H1 this year. We expect this trend to continue in the second half of the year.

Parkwalk liaised closely with BEIS, DSIT, HMT and HMRC on the financial ecosystem for knowledge-intensive spin-out companies and across political parties to ensure science and innovation is at the heart of the UK Government's growth mission.

Most of our remaining funds are managed by our Australian team. The IP Group Hostplus Innovation Fund, managed for top ten Australian Superannuation fund, Hostplus, was valued at £146m at the period end, and 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. TelstraSuper is also investing alongside IP Group through a co-investment mandate. Since the period end, Hostplus has increased the funds allocated to this activity by A 125m, a further endorsement of the relationship we have with them, and which brings the total committed to A 435m.

The Group has a continued focus on increasing its funds under management, which it expects to exceed the value of balance sheet funds in the short to medium term.

Continued commitment to shareholder returns

Delivering returns for shareholders is the Group's financial purpose and narrowing the discount to our NAV per share remains a focus. The Group aims to deliver returns to shareholders primarily in the form of long-term capital appreciation. Subject to the Group's capital allocation policy, the majority of cash proceeds will be typically reinvested with a smaller proportion used to deliver a cash return to shareholders. Since the introduction of this approach in 2021, the Group has delivered more than £95m of cash returns to our shareholders via dividends and share buybacks.

Given the continued discount between the Company's share price and its NAV per share, which the Directors continue to believe significantly undervalues the Group's portfolio, we launched a share buyback of up to £20m in December 2023. The Board remains committed to utilising a proportion of realisations to make regular cash returns to shareholders, which is now anticipated to be solely in the form of share buybacks while the share price discount to NAV exceeds 20%. In the six months to 30 June 2024, the Group purchased 16,631,176 shares for £8.1m. A further 28,649,429 shares for £11.8m have been purchased since the period end. Since the buyback was launched in December, a total of 45,500,907 shares have been purchased for £20.0m. The Directors have also announced plans to increase the buyback programme by a further £10m once this tranche is completed.

Board changes

Our non-executive colleague Dr. Elaine Sullivan stepped down from the Company's board of directors effective from the close of the AGM. Having (substantially) completed her third term of three years, Dr Sullivan did not stand for re-election.

Outlook

While the current macro environment remains challenging, the Group is now seeing strong signs that conditions are improving, having seen increased corporate activity in and appetite for its portfolio. We also believe that our mission of investing in breakthrough science and innovation, particularly from leading universities, is highly aligned with the Government's growth agenda and that we are well placed to benefit from initiatives in this area. The Government has been clear on its support for UK based innovation and sciences, and has committed to progress a number of fiscal and regulatory reforms which support our operating environment. IP Group continues to be well financed, and we are confident that our maturing portfolio will deliver value for shareholders as investor appetite for growth companies returns and which we anticipate delivering a number of further material exits over the next 18 months.

PORTFOLIO REVIEW BY SECTOR

Overview

The Group has a focused and maturing portfolio of companies that contribute to a healthier future (life sciences), a tech-enriched future (deeptech) and a regenerative future (cleantech, Kiko Ventures).

In addition, a small number of investments are categorised as platform investments, which are funds or portfolio companies that invest in other opportunities.

	As at 30 June 2024		As at 31 December 2023	
Sector	**£m**	**%**	£m	%
Healthier future: Life sciences (ex-ONT)	**424.4**	**38%**	393.8	33%
Healthier future: Life sciences (ONT)	**78.7**	**7%**	173.6	15%
Tech-enriched future: Deeptech	**242.8**	**22%**	231.4	20%
Regenerative future: Cleantech (Kiko Ventures)	**275.4**	**25%**	275.3	24%
Platform investments	**89.7**	**8%**	90.8	8%
Total portfolio	**1,111.0**	**100%**	1,164.9	100%

Portfolio Review: Healthier future: Life sciences

IP Group's Life Sciences portfolio comprises holdings in 33 companies valued at £503.1m at 30 June 2024 (HY23: 32 companies valued at £589.6m, FY23: 33 companies valued at £567.4m).

Company name	Description	**Group Stake at 30 June 2024[1] %**	Net investment/ (divestment) £m	Unrealised + realised fair value movement £m	**Fair value of Group holding at 30 June 2024 £m**
Istesso Limited	Reprogramming metabolism to treat autoimmune disease	**56.5%**	10.0	3.9	**127.6**

	autoimmune disease				
Oxford Nanopore Technologies plc	Enabling the analysis of any living thing, by any person, in any environment	**9.5%**	-	(94.9)	**78.7**
Hinge Health, Inc.	The World's First Digital Clinic for Back and Joint Pain	**1.8%**	-	0.2	**34.2**
Pulmocide Limited	Novel inhaled treatment for life-threatening fungal lung infections	**11.8%**	3.7	-	**23.0**
Mission Therapeutics Limited	Targeting deubiquitylating enzymes for the treatment of CNS and mitochondrial disorders	**21.3%**	3.7	3.0	**22.5**
Crescendo Biologics Limited	Biologic therapeutics eliciting the immune system against solid tumours	**14.3%**	-	-	**19.6**
Artios Pharma Limited	Novel oncology therapies	**7.3%**	-	-	**17.4**
Centessa Pharmaceuticals plc	Discovery and development of medicines that are transformational for patients	**2.1%**	(0.7)	2.2	**17.2**
Microbiotica Limited	Gut-microbiome based therapeutics and diagnostics	**17.7%**	0.1	-	**16.2**
Storm Therapeutics Limited	Clinical stage biotechnology company creating novel therapies that inhibit RNA modifying enzymes for use in oncology	**12.1%**	2.1	-	**11.5**
Genomics plc	Using large-scale genetic information to develop precision healthcare tools and to bring new understanding to drug discovery	**8.2%**	3.1	-	**11.4**
Other companies (22 companies)			9.4	(13.5)	**123.8**
Total			31.4	(99.1)	**503.1**

[1] Represents the Group's undiluted beneficial economic equity interest (excluding debt), including only the Group's portion of IPVF II. Voting interest is below 50%.

The first half of 2024 has seen good progress in the portfolio with four companies reporting positive clinical trial data.

Pulmocide has released Phase 2 safety data for opelconazole, its anti-fungal drug for the treatment of a life-threatening lung infection, invasive pulmonary aspergillosis (IPA). The Phase 2 data from lung transplant patients was notable because, alongside showing opelconazole was safe and well tolerated, it was also found to be better tolerated than standard of care antifungals when used in combination with immunosuppressive therapy. The trial also provided evidence that the drug eradicated existing fungal infections in the lung and could prevent new infections which, if confirmed in the ongoing Phase 3, we hope will generate significant commercial interest.

Kynos Therapeutics has reported positive top line results from the first-in-human Phase I study of KNS366, its novel drug for acute and chronic inflammatory disorders. The study demonstrated that KNS366 was safe and well tolerated and a potent inhibitor of its target enzyme, KMO.

Storm Therapeutics has also released interim Phase 1 clinical data on its first-in-class oncology drug (STC-15) at the American Society of Clinical Oncology (ASCO) Annual Meeting. STC-15 was studied in advanced cancer patients and found to be well tolerated with promising signs of clinical activity.

In early July, Abliva reported results from the interim analysis of its Phase 2 trial of KL1333 for the treatment of primary mitochondrial disease. Efficacy endpoints (fatigue and muscle weakness) passed futility and supported recruiting additional patients to complete the Phase 2 study.

In terms of transactions, several companies have closed investment rounds to fund the next stage of clinical development including Enterprise Therapeutics, which raised £26m to support a Phase 2a clinical proof of concept trial in cystic fibrosis, and Mission Therapeutics, which raised £25.2m to fund a Phase 1a/1b study on a potential disease-modifying treatment for Parkinson's Disease. Both companies have first-in-class drugs for diseases with a high unmet medical need, so it is pleasing that they are now funded through to the next clinical milestone and value inflection point.

Outside of the therapeutics portfolio, several companies continue to make good commercial progress and have signed new collaboration/partnerships deals; for example, Genomics plc has established a precision medicine collaboration with GSK, and expanded its genetic testing partnership with Mass Mutual; MoA has agreed a 10-year commercial partnership with Croda to develop next-generation bioherbicides, and Oxehealth has announced its first US partnership with a behavioural health services provider for its contactless patient monitoring solution.

Despite the positives, the portfolio has faced challenges including Oxford Nanopore whose share price has continued to underperform as concerns over the challenging macroenvironment have lingered and US peers have delivered underwhelming Q1 results. Whilst disappointing, we remain positive about Oxford Nanopore's long-term prospects and believe that there is a significant commercial opportunity for the company, especially in regulated applied markets where the upcoming launch of its Q-Line sequencing portfolio will help drive revenue from a new customer base. To this end we have seen improvements in the share price of ONT since the period end and the completion of an £80m equity issue which saw a £60m strategic investment from Novo Holdings.

We also have numerous portfolio companies nearing clinical milestones, including Istesso which we expect to deliver Phase 2b data for Leramistat (MBS2320) in the near term. The small increase in the value of our holding in the period reflects unwinding of discounting and updates to exchange rates within our internal DCF valuation model for this company.

Portfolio Review: Tech-enriched future: Deeptech

IP Group's Technology portfolio comprises holdings in 31 companies valued at £242.8m at 30 June 2024 (HY23: 29 companies valued at £206.4m, FY23: 32 companies valued at £231.4m).

Company name	Description	**Group Stake at 30 June 2024[1] %**	Net investment/ (divestment) £m	Unrealised + realised fair value movement £m	**Fair value of Group holding at 30 June 2024 £m**
Featurespace Limited	Leading predictive analytics company	**20.1%**	-	39.8	**112.7**
Garrison Technology Limited	Anti-malware solutions for enterprise	**23.6%**	-	(0.9)	**30.6**

Garrison Technology Limited	cyber defences	[illegible]	-	(0.9)	[illegible]
Accelercomm Limited	Developing a high-performance decoding solution for 5G mobile communication	**26.4%**	-	-	**12.5**
Other companies (28 companies)			1.9	(29.4)	**87.0**
Total			**1.9**	**9.5**	**242.8**

[1]Represents the Group's undiluted beneficial economic equity interest (excluding debt), including only the Group's portion of IPVF II. Voting interest is below 50%.

A future enriched and enhanced by technology is becoming all the more real as we work our way through 2024, with further advances in AI, chip design and networked communications all continuing at pace. Nvidia became one of a handful of companies to have passed a 3tn valuation with continued strong demand for advanced technologies.

The deeptech team at IP Group seeks to capitalise on this megatrend of digital transformation through investment in four interlinked investment themes of future compute, next generation communication networks, the human / machine interface and applied AI. To frame this another way, we invest in information in all its forms - its creation, transmission, representation, and exploitation. This holistic approach to deeptech investing across the broad gambit of digital transformation allows the team to identify and mine rich investment seams.

The undoubted highlight in the first half of the year was the agreed sale, at around our NAV holding value, of our stake in Garrison to US-based cybersecurity firm Everfox (formerly Forecepoint Federal). Following regulatory clearances, the sale completed in August with initial proceeds of £30m being received. This exit represented an excellent outcome for both Garrison and for IP Group, being a strong endorsement of Garrison's anti-malware solutions for enterprise cyber defences. The price attracted at exit reinforces the Group's valuation methodology and should provide further confidence in the carrying values of our assets.

Elsewhere in our portfolio Featurespace, another of our large cybersecurity assets, continues to see healthy growth with top-tier customers for its highly differentiated anti-fraud solutions. In 2023, Featurespace grew turnover by 46.5% to £50.4m through successful deployment of software to direct and indirect customers via transactional and licence deals. International expansion underpinned its strong growth and recurring revenues comprised 79% of revenue, up from 70% in 2022. Featurespace also noted that given the trajectory of growth and cash generation, it expects to maintain a strong financial position without the need for additional equity or debt capital.

Despite the continued challenging environment for raising fresh venture capital in new funding rounds, appetite for our portfolio remains healthy with several of our companies successfully completing fundraisings. We approved new investments into some of our most promising early-stage assets including Lumai, which aims to deliver a 1000x improvement on compute speed and energy efficiency through its optical approach to AI hardware, and Quantum Dice, which is deploying a quantum based random number generator for applications both in encryption / cybersecurity and in the seeding of complex deterministic simulations. Another early-stage asset of note is Helio Display Materials, which we continue to support with additional capital as it seeks to exploit its world-leading perovskite-based colour conversion technology in the manufacture of micro-LED displays.

Audioscenic, our immersive 3D audio company attracted a lot of attention at the trade shows CES and Computex, where it showcased additional monitor and laptop products, several of which have moved into production. It continues to be one of our most promising mid-stage assets.

However, alongside this progress, Ultraleap, our user interfaces company, made the difficult decision to reshape some of its divisions and reduce the size of its team to reflect changing dynamics in the VR/AR sector, which has been slower to emerge than many of the leading players predicted. We believe this rightsizing exercise, alongside a recent fundraise, leaves Ultraleap well-positioned to exploit the opportunity for its world-leading hand tracking and haptics technologies.

In the second half of 2024, we hope to see further technical and commercial progress at Intrinsic Semiconductor Technologies as it continues to advance the application of its game-changing non-volatile memory technology. In offering smaller, more manufacturable and better performing memory blocks, Intrinsic aims to provide alternatives to the classical computing platforms, as well as providing a replacement for existing memory platforms such as Flash.

Portfolio Review: Regenerative future: Kiko Ventures (Cleantech)

The Cleantech (Kiko Ventures) portfolio comprises holdings in 17 companies valued at £275.4m at 30 June 2024 (HY23: 14 companies valued at £262.4m, FY23: 16 companies valued at £275.3m).

Company name	Description	**Group Stake at 30 June 2024[1] %**	Net investment/ (divestment) £m	Unrealised + realised fair value movement £m	**Fair value of Group holding at 30 June 2024 £m**
Hysata Pty Limited	Developing a new type of breakthrough hydrogen electrolyser and accelerating the global transition to net zero	**37.0%**	11.7	(0.6)	**81.0**
Oxa Autonomy Limited	Software to enable every vehicle to become autonomous	**11.8%**	-	-	**65.7**
First Light Fusion Limited	Solving fusion with the simplest possible machine	**27.5%**	-	(15.9)	**49.0**
Bramble Energy Limited	The fuel cell company with Gigafactories	**31.4%**	-	-	**20.9**
Nexeon Limited	Silicon anodes for next generation lithium-ion batteries	**5.1%**	-	4.0	**15.9**
Other companies (12 companies)			1.1	(0.2)	**42.9**
Total			**12.8**	**(12.7)**	**275.4**

[1]Represents the Group's undiluted beneficial economic equity interest (excluding debt), including only the Group's portion of IPVF II. Voting interest is below 50%.

A notable highlight of the first half of 2024 was the completion of the Series B funding round for Hysata, which took total funds raised to US 111m, making it the largest Series B in Australian cleantech history. We had participated in the first close at the end of 2023, with Kiko and IP Group Australia contributing a total of US 15m. The round was led by bp Ventures and Templewater and was supported by a wide international syndicate including POSCO, IMM, Shinhan Financial Group, Oman Investment Authority and TelstraSuper. Hysata will use the funding to expand

Shinhan Financial Group, Oman Investment Authority and TelstraSuper. Hysata will use the funding to expand production capacity at its iconic beachside manufacturing facility near Sydney and further develop its technology as it focuses on reaching gigawatt scale manufacturing.

The first half has been a mixed period for First Light Fusion. The company continues to make strong technical progress, achieving a major milestone in February in becoming the first fusion company to successfully fire a shot on Sandia National Laboratories' Z Machine, the world's largest pulse power machine. The shot broke the pressure record for the Machine, a major achievement which validates both the performance of First Light's amplifier technology and the company's ability to work with third party facilities, pointing the way to a more capital light strategy. First Light aims to continue in partnership with Sandia and other providers of ICF (Inertial Confinement Fusion) 'driver' technology. The management team of First Light has been strengthened by the appointment of Graham O'Keeffe who has taken over as Acting CEO from founder Nick Hawker. Graham is an experienced business leader with significant expertise managing and raising funds for fast growing deep technology companies. His experience includes the turnaround, and recent exit, of DisplayLink, a developer of graphics semiconductors spun out from Cambridge, with the company being acquired by Synaptics Inc. Nick Hawker has moved into a new role of Chief Scientific Officer (CSO), responsible for the company's scientific mission and focussing on how it transforms its unique technology for inertial confinement fusion (ICF) into a commercially viable, scalable proposition for energy production. However, while there is still activity in the fusion funding market, we have not seen a return to the multi-hundred-million funding rounds of 2021. As First Light has still not completed its Series D fund raise, we have carried out a re-evaluation of our holding which, using expert third party input, has led to a reduction in value of £15.9m.

Elsewhere in the portfolio, there has been good progress for Vytal, which has technology to eliminate single-use packaging by enabling cost-efficient re-use of plastic containers. In June, Vytal raised €6.2m to accelerate the roll out of its technology, which is already being used in 17 countries and with over 7,000 partners. The round was led by Emerald Technology Ventures, one of the most successful and established cleantech ventures funds, having been founded in 2000 and currently managing assets of over €1bn over four funds. Attracting high quality co-investment is a core performance target for the Kiko team, and Emerald's financial strength and experience, having participated in hundreds of cleantech venture transactions, is an example of this in practice. Existing relationships between the Kiko team and Emerald were key to securing this funding. Three new investments in exciting climate technologies were approved in the period.

Portfolio review: Platform Investments

IP Group's Platform Investments portfolio comprises holdings in two companies and three interests in Partnerships, valued at £89.7m at 30 June 2024. The Platform Investments portfolio contains holdings in funds and companies that operate in a similar way to IP Group, most significantly our interest in our US platform, managed by Longview Innovation, the UCL Technology Fund, Oxford Science Enterprises Limited and Cambridge Innovation Capital Limited, all of which IP Group was a founding investor in. The performance of these investments is summarised as follows:

Company name	Description	**Group Stake at 30 June 2024[1] %**	Net investment/ (divestment) £m	Unrealised and realised fair value movement £m	**Fair value of Group holding at 30 June 2024 £m**
US platform (managed by Longview Innovation)	Commercialising world class research in the US	**58.1%**	-	(0.5)	**45.5**
UCL Technology Fund L.P.	Commercialising world class research from UCL	**46.4%**	(0.4)	(0.9)	**19.3**
Oxford Science Enterprises plc	University of Oxford preferred IP partner under 15-year framework agreement	**1.8%**	-	1.0	**19.3**
Other companies (2 companies/LLPs)		-	-	(0.3)	**5.6**
Total			**(0.4)**	(0.7)	**89.7**

[1] Represents the Group's undiluted beneficial economic equity interest (excluding debt), including only the Group's portion of IPVF II. Voting interest is below 50%.

Portfolio review: Additional Analysis
Number of investments by sector

Sector	**As at 30 June 2024** Number	%	As at 31 December 2023 Number	%
Healthier future: Life sciences (ex-ONT)	**32**	**37%**	32	37%
Healthier future: Life sciences (ONT)	**1**	**1%**	1	1%
Tech-enriched future: Deeptech	**31**	**36%**	32	37%
Regenerative future: Cleantech (Kiko Ventures)	**17**	**20%**	16	19%
Platform investments	**5**	**6%**	5	6%
Total number of portfolio investments[1]	**86**	**100%**	86	100%

[1] Excludes *de minimis* holdings, which have a small value to the Group and are not actively managed to the same extent as core holdings, and are accordingly not included in the stated number of companies.

Number of Investments

	United Kingdom	North America	Australia & New Zealand	Total
1 January 2024	75	1	10	86
Additions	1	-	-	1
Exited & acquired in period	-	-	-	-
Being closed/liquidated	-	-	-	-
Reclassified to *de minimis*[1]	(1)	-	-	(1)
30 June 2024	**75**	**1**	**10**	**86**

[1] *De minimis* holdings have a small value to the Group and are not actively managed to the same extent as core holdings, and are accordingly not included in the stated number of companies.

Co-investment analysis

Including the £49.0m (HY23: £59.8m, FY23: £73.2m) of primary capital invested by the Group (in addition, the Group invested £0.1m via secondary purchases (HY23: £nil, FY23: £nil)), the Group's portfolio raised approximately £380m during the period (HY23: £298m, FY23: £667m). Co-investment from parties or funds with a greater than 1% shareholding in IP Group plc totalled £3.4m (HY23: £nil, FY23: £1.0m). An analysis of this co-investment by source is as follows:

Portfolio capital raised	**Six months ended 30 June 2024**		Six months ended 30 June 2023[3]	
	£m	**%**	£m	%
IP Group[1]	**49.0**	**13%**	59.8	20%
IP Group managed funds[2]	**21.9**	**6%**	9.9	3%
IP Group plc shareholders (>1% holdings)	**3.4**	**1%**	-	0%
Institutional investors	**13.3**	**4%**	26.0	9%
Corporate, other EIS, individuals, universities and other	**291.9**	**76%**	202.6	68%
Capital into Platform investments	**-**	**0%**	-	0%
Total	**379.5**	**100%**	298.3	100%

1 Reflects primary investment only; during the six months to 30 June 2024 the Group invested £0.1m via secondary purchase of shares (HY23: £nil, FY23: £nil).

2 Includes Parkwalk Advisors and other funds managed by IP Group.

3 Prior year comparatives have been represented to reflect revised investors classification which has been updated in the current period

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.

Company name	**30 June 2024**		30 June 2023		31 December 2023	
	£m	**%**	£m	%	£m	%
Funded to breakeven	**324.4**	**34%**	354.2	33%	345.8	35%
2023	**-**	**-**	59.5	6%	-	-
2024 H1	**-**	**-**	109.4	10%	69.8	7%
2024 H2	**22.5**	**2%**	292.3	27%	57.7	6%
2025 H1	**261.9**	**27%**	229.5	21%	377.8	38%
2025 H2	**19.0**	**2%**	10.7	1%	33.0	3%
2026	**315.7**	**33%**	18.1	2%	104.2	10%
2027	**20.8**	**2%**	-	0%	10.7	1%
Total	**964.3**	**100%**	1,073.7	100%	999.0	100%
Companies < £4m value	**79.0**		83.7		75.1	
Interest in Limited Partnerships and Platforms	**67.7**		118.7		90.8	
Total portfolio	**1,111.0**		1,276.1		1,164.9	

FINANCIAL REVIEW

- Loss for the period of £109.9m (HY23: Loss of (£54.5m), FY23: Loss of (£174.4m))
- Net assets were £1,072.2m (HY23: £1,313.6m, FY23: £1,190.3m)
- Net assets per share were 104.7p (HY23: 126.7p, FY23: 114.8p)
- Net overheads were £(8.7)m, a reduction of £1.6m from the previous period (HY23: £(10.3)m, FY23: £(22.5)m)

Consolidated statement of comprehensive income

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

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m	Year ended 31 December 2023 £m
Net portfolio loss[1]	**(103.0)**	(44.4)	(160.5)
Net overheads[2]	**(8.7)**	(10.3)	(22.5)
Non-portfolio foreign exchange gains and losses	**0.1**	1.2	0.4
Administrative expenses - share-based payments charge	**(0.8)**	(1.0)	(2.6)
Carried interest plan provision credit/(charge)	**(0.1)**	(0.5)	4.7
Net finance income	**1.4**	1.6	4.2
Taxation	**1.2**	(1.1)	1.9
Loss after tax for the period	**(109.9)**	**(54.5)**	**(174.4)**
Other comprehensive income	**(0.9)**	(0.8)	(0.4)
Total comprehensive loss for the period	**(110.8)**	**(55.3)**	**(174.8)**
Exclude:			
Share-based payment charge	**0.8**	1.0	2.6
Return on NAV[1]	**(110.0)**	**(54.3)**	**(172.2)**

1 Defined in note 12 Alternative Performance Measures.

2 See net overheads table below and definition in note 12 Alternative Performance Measures.

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, which are analysed in detail in the portfolio analysis above.

Fair value movements
A summary of the unrealised and realised fair value gains and losses is as follows:

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m	Year ended 31 December 2023 £m
Quoted equity & debt investments	**(95.2)**	(29.4)	(31.8)
Private equity & debt investments	**(6.2)**	4.5	(83.8)
Investments in Limited Partnerships	**(1.9)**	(8.3)	(36.5)
Foreign exchange movements	**0.3**	(11.2)	(8.4)
Net portfolio losses	**(103.0)**	(44.4)	(160.5)

A summary of the largest unrealised and realised fair value gains and losses by portfolio investment is as follows:

Gains	£m
Featurespace Limited	39.8
Nexeon Limited	4.0
Istesso Limited	3.9
Mission Therapeutics Limited	3.0
Kynos Therapeutics Limited	2.6
Other quoted	3.3
Other private	8.4
Foreign exchange	0.9
Total	**65.9**

Losses	£m
Oxford Nanopore Technologies plc	(94.9)
Ultraleap Holdings Limited	(26.5)
First Light Fusion Limited	(15.9)
Ieso Digital Health Limited	(10.7)
Akamis Bio Limited	(3.7)
Other quoted	(3.5)
Other private	(12.9)
Foreign exchange	(0.8)
Total	**(168.9)**

Net overheads

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m	Year ended 31 December 2023 £m
Other income	**3.8**	3.1	5.9
Administrative expenses - all other expenses	**(11.7)**	(12.3)	(25.8)
Administrative expenses - annual incentive scheme	**(0.8)**	(1.1)	(2.6)
Net overheads	**(8.7)**	(10.3)	(22.5)

Other income
Other income comprises fund management fees and licensing and patent income. In the current period other income totalled £3.8m (HY23: £3.1m, FY23: £5.9m), and increased by 23% from first half of the previous year driven by increased fund management revenues from our Parkwalk business unit.

Other central administrative expenses

Other central administrative expenses, excluding performance-based staff incentives, share-based payments charges and the impact of foreign exchange movements, have reduced from the prior period at £11.7m (HY23: £12.3m, FY23: £25.8m) reflecting an additional focus on cost control in the first half of 2024.The charge of £0.8m in respect of the Group's Annual Incentive Scheme reflects a provisional assessment of performance against 2024 AIS targets which include Group, Team, and Individual performance elements (HY23: £1.1m, FY23: £2.6m).

Other income statement items
The share-based payments charge of £0.8m (HY23: £1.0m, FY23: £2.6m) reflects the accounting charge for the Group's Restricted Share Plan, Long-Term Incentive Plan and Deferred Bonus Share Plan. This non-cash charge reflects the fair value of services received from employees, measured by reference to the fair value of the share-based payments at the date of award, but has no net impact on the Group's total equity or net assets.

Carried interest plan charge
The carried interest plan charge of £0.1m (HY23: £0.5m charge, FY23: £4.7m credit) relates to the recalculation of liabilities under the Group's carry schemes. As at 30 June 2024, 77% of the Group's equity & debt investments were included within carry scheme arrangements (HY23: 70%, FY23: 70%). The liabilities are calculated based upon any excess of current fair value above cost and 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 is provided below:

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m	Year ended 31 December 2023 £m
Total Portfolio	**1,111.0**	1,276.1	1,164.9
Other non-current assets	**6.4**	5.3	10.2
Other net current assets/(liabilities)	**(8.0)**	4.0	(7.5)
Cash and deposits	**161.3**	250.0	226.9
Borrowings	**(132.1)**	(138.3)	(135.2)
Other non-current liabilities	**(66.4)**	(83.5)	(69.0)
Total Equity or Net Assets ("NAV")	**1,072.2**	1,313.6	1,190.3
NAV per share	**104.7p**	126.7p	114.8p

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

Portfolio valuations
Given continued volatility in public markets and uncertainty over the extent of the impact on private valuations, we

have continued to seek third party valuation advice across some of the larger companies in our portfolio which were assessed as having a higher degree of valuation uncertainty. These were First Light Fusion, Hinge Health and Ultraleap.

The first half of 2024 saw an increase in the level of capital raised by the portfolio compared to the same period in 2023, with £380m raised (HY23: £298m, FY23: £667m). The period saw fewer newly priced raises of equity, with a lot of the capital being follow-on tranches of rounds agreed in previous years, or funding via convertible debt. A larger proportion of the rounds took place at or below the previous funding round prices, indicating that we are seeing some evidence of reductions in private valuations from financing transactions in our portfolio. For all three down rounds, impairments had been recognised already in the Group's 2023 full year results in anticipation of the funding round outcomes.

	Six months ended 30 June 2024 £m		Six months ended 30 June 2023 £m		Year ended 31 December 2023 £m	
	No.	**%**	No.	%	No.	%
Up round	**4**	**50%**	10	72%	13	62%
Flat round	**1**	**12%**	2	14%	3	14%
Down round	**3**	**38%**	2	14%	5	24%
Total	**8**	**100%**	14	100%	21	100%

Most of our portfolio remains well funded, with many of our more mature companies evidencing commercial progress or anticipating technical or funding milestones in the next 12-24 months, therefore we remain confident around the resilience of our portfolio.

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 3 and 4.

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m	Year ended 31 December 2023 £m
Quoted	**108.7**	206.5	203.8
Funding transaction (<12 months)	**177.8**	268.0	187.9
Funding transaction (>12 months)	**222.3**	191.0	162.7
Other: Future market/commercial events	**69.5**	15.8	25.0
Other: Adjusted financing price based on past performance - upwards	**36.0**	178.3	99.9
Other: Adjusted financing price based on past performance - downwards	**163.4**	129.2	203.9
Other: Discounted Cash Flow (DCF)	**140.5**	115.8	126.6
Other: Revenue Multiple	**125.1**	76.8	85.4
Statements from LP	**67.7**	94.7	69.7
Total Portfolio	**1,111.0**	1,276.1	1,164.9

Other assets and liabilities
The majority of other long-term assets relate to amounts receivable on sale of equity and debt investments, representing deferred and contingent consideration amounts to be received in more than one year.

Other long-term liabilities relate to carried interest and revenue share payables, and loans from LPs of consolidated funds. The Group consolidates the assets of a fund in which it has a significant economic interest, IP Venture Fund II LP. 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
On 2 August 2022, the Group signed a Note Placing Agreement ("NPA") to issue a £120m debt private placement to London-based institutional investors (primarily Phoenix Group). £60m of this was drawn in December 2022 and the balance was drawn in June 2023, with three equal maturities in December in 2027, 2028 and 2029. The interest rate is fixed at an average of 5.25%. Approximately £15m of the proceeds was used to repay early the shorter-dated portion of our EIB debt, leaving £22m of EIB debt to be progressively repaid between now and January 2026 (£6.3m of the EIB debt will be repaid within twelve months of the period end).

Under the terms of the NPA, the Group is required to maintain a minimum cash balance of £25m at any time, equity must be at least £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. The NPA 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 under the NPA.

All covenants have been met throughout the period. For further details of the Group's loans including covenant details see note 19 to the 2023 Annual Report.

Cash and deposits
At 30 June 2024, the Group's cash and deposits totalled £161.3m, a decrease of £65.6m from a total of £226.9m at 31 December 2023, predominantly due to outflows of investing activities of £49.1m, a £9.3m net cash outflow from operations, £8.1m spent on the share buy-back scheme and a £3.1m cash outflow from the repayment of debt net of an inflow of cash proceeds of £3.4m.

Investments and realisations

The Group invested a total of £49.1m across 23 portfolio companies during the period (HY23: £59.8m, 23, FY23: £73.2m; 33) and realised cash proceeds of £3.4m (HY23: £32.2m, FY23: £38.6m).

Largest investments and realisations by portfolio company for the period:

Investments	**£m**
Hysata Pty Ltd	11.7
Istesso Limited	10.0
Pulmocide Limited	3.7
Mission Therapeutics Limited	3.7

Cash Realisations	**£m**
Zihipp Limited	1.4
UCL Technology Fund LP	0.8
Centessa Pharmaceuticals plc	0.7
Karus Therapeutics Limited	0.2

Genomics plc	3.1	Ankere Therapeutics Pty Ltd	0.2
Other	16.9	Other	0.1
Total	**49.1**	**Total**	**3.4**

Deferred consideration estimated at £5.8m was outstanding at 30 June 2024 (HY23: £12.5m, FY23: £9.2m), relating to the Group's realisation of Enterprise Therapeutics (£3.8m, exited in 2020) and Zihipp Limited (£1.9m, exited in 2023).

Dividend and share buyback
In its 2023 results, the Group reiterated the Board's commitment to making regular cash returns to shareholders from realisations but announced that, in light of the prevailing discount between the Company's share price and its NAV per share, these regular cash returns will normally be made in the form of share buybacks when the share price discount to NAV exceeds 20%. As a result, no dividends were paid in the period (HY23: 7.7m, FY23: £13.0m), with the Group instead announcing that it had initiated a share buyback of up to £20m in December 2023.

During 2024, the Company purchased 16,631,176 ordinary shares (2023: 220,302 shares) with an aggregate value of £8.1m (HY23: £nil, FY23: £0.2m), and they are held in treasury. Retained profits have been reduced by £8.1m (2023: £0.2m), being the net consideration paid for these shares, including the expenses directly relating to the treasury share purchase. At 30 June 2024 the company had 38,643,207 treasury shares (HY23: 26,273,218 FY23: 26,493,520).

Taxation
The Group's business model seeks to deliver long-term value to its stakeholders through the commercialisation of fundamental research carried out at its partner universities. To date, this has been largely achieved through the formation of, and provision of services and development capital to, spin-out companies formed around the output of such research. The Group primarily seeks to generate capital gains from its holdings in spin-out companies over the longer term but has historically made annual net operating losses from its operations from a UK tax perspective. Capital gains achieved by the Group would ordinarily be taxed upon realisation of such holdings; however, since the Group typically holds more than 10% in its portfolio companies and those companies are themselves trading, the majority of the portfolio will qualify for the Substantial Shareholdings Exemption ("SSE") on disposal.

This exemption provides that gains arising on the disposal of qualifying holdings are not chargeable to UK corporation tax and, as such, the Group has continued not to recognise a provision for deferred taxation in respect of uplifts in value on those equity holdings that meet the qualifying criteria. 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 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 Half-Yearly 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 12.

Principal risks and uncertainties
A detailed explanation of the principal risks and uncertainties faced by the Group, and the steps taken to manage them, is set out in the Strategic Report section of the Group's 2023 Annual Report and Accounts. The principal risks and uncertainties are summarised as follows:

- it may be difficult for the Group to maintain the required level of capital to continue to operate at optimum levels of investment, activity and overheads,
- it may be difficult for the Group's portfolio companies to attract sufficient capital,
- the returns and cash proceeds from the Group's early-stage companies may be insufficient,
- the Group may lose key personnel or fail to attract and integrate new personnel,
- macroeconomic conditions may negatively impact the Group's ability to achieve its strategic objectives,
- there may be changes to, impacts from, or failure to comply with, legislation, government policy and regulation,
- The Group and its portfolio companies may be subjected to phishing and ransomware attacks, data leakage and hacking,
- The Group may be negatively impacted by operational issues both from a UK central and international operations perspective

The Group reviewed its operational, strategic and principal risk registers in the period and has concluded that it is not aware of any significant changes in the nature of the principal risks that would result in a change to the Group's principal risks as set out above in the forthcoming six months.

Consolidated statement of comprehensive income
For the six months ended 30 June 2024

	Note	**Unaudited six months ended 30 June 2024 £m**	Unaudited six months ended 30 June 2023 £m	Audited year ended 31 December 2023 £m
Portfolio return and revenue				
Change in fair value of equity and debt investments	3	**(99.9)**	(27.5)	(110.9)
(Loss) on disposal of equity and debt investments	5	**(1.5)**	(5.7)	(10.8)
Change in fair value of limited and limited liability partnership interests	4	**(1.6)**	(11.2)	(38.8)
Revenue from services and other income		**3.8**	3.1	5.9
		(99.2)	(41.3)	(154.6)
Administrative expenses				

Carried interest plan credit/(charge)	9	**(0.1)**	(0.5)	4.7
Share-based payment charge		**(0.8)**	(1.0)	(2.6)
Other administrative expenses		**(12.4)**	(12.2)	(28.0)
		(13.3)	(13.7)	(25.9)
Operating loss		**(112.5)**	(55.0)	(180.5)
Finance income		**4.8**	3.8	9.8
Finance costs		**(3.4)**	(2.2)	(5.6)
Loss before taxation		**(111.1)**	(53.4)	(176.3)
Taxation		**1.2**	(1.1)	1.9
Loss after taxation for the period		**(109.9)**	(54.5)	(174.4)
Other comprehensive income				
Exchange differences on translating foreign operations		**(0.9)**	(0.8)	(0.4)
Total comprehensive loss for the period		**(110.8)**	(55.3)	(174.8)
Attributable to:				
Equity holders of the parent		**(105.6)**	(53.9)	(171.3)
Non-controlling interest		**(5.2)**	(1.4)	(3.5)
		(110.8)	(55.3)	(174.8)
Loss per share				
Basic (p)	2	**(10.24)**	(5.20)	(16.53)
Diluted (p)	2	**(10.24)**	(5.20)	(16.53)

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

Consolidated statement of financial position

As at 30 June 2024

	Note	**Unaudited six months ended 30 June 2024 £m**	Unaudited six months ended 30 June 2023 £m	Audited year ended 31 December 2023 £m
ASSETS				
Non-current assets				
Goodwill		**0.4**	0.4	0.4
Property, plant and equipment		**1.1**	0.3	1.4
Joint venture investment		**0.6**	0.6	0.6
Equity investments	3	**947.2**	1,123.8	1,011.5
Debt investments	3	**57.8**	57.6	83.7
Limited and limited liability partnership interests	4	**67.7**	94.7	69.7
Receivable on sale of debt and equity investments	6	**4.3**	4.0	7.8
Total non-current assets		**1,079.1**	1,281.4	1,175.1
Current assets				
Assets held for Sale	3	**38.3**	-	-
Trade and other receivables		**6.7**	7.3	8.2
Receivable on sale of debt and equity investments	6	**1.5**	8.5	1.4
Deposits		**70.0**	166.8	126.0
Cash and cash equivalents		**91.3**	83.2	100.9
Total current assets		**207.8**	265.8	236.5
Total assets		**1,286.9**	1,547.2	1,411.6
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Called up share capital	8	**21.3**	21.3	21.3
Share premium account		**102.5**	102.5	102.5
Retained earnings		**962.7**	1,196.8	1,075.6
Total equity attributable to equity holders		**1,086.5**	1,320.6	1,199.4
Non-controlling interest		**(14.3)**	(7.0)	(9.1)
Total equity		**1,072.2**	1,313.6	1,190.3
Current liabilities				
Trade and other payables		**16.2**	11.7	17.1
Borrowings	7	**6.2**	6.3	6.3
Total current liabilities		**22.4**	18.0	23.4
Non-current liabilities				
Borrowings	7	**125.9**	132.0	128.9
Carried interest plan liability	9	**36.6**	44.4	38.0
Deferred tax liability		**3.5**	7.9	4.8
Loans from limited partners of consolidated funds		**19.9**	19.8	19.8
Revenue share liability		**6.4**	11.5	6.4
Total non-current liabilities		**192.3**	215.6	197.9
Total liabilities		**214.7**	233.6	221.3
Total equity and liabilities		**1,286.9**	1,547.2	1,411.6

Registered number: 4204490

Registered number: 4204490

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 17 September 2024 and were signed on its behalf by:

Greg Smith
Chief Executive Officer

David Baynes
Chief Financial & Operating Officer

Consolidated statement of cash flows
For the six months ended 30 June 2024

	Note	**Unaudited six months ended 30 June 2024 £m**	Unaudited six months ended 30 June 2023 £m	Audited year ended 31 December 2023 £m
Operating activities				
Loss before taxation for the period		**(111.1)**	(53.4)	(176.3)
Adjusted for:				
Change in fair value of equity and debt investments	3	**99.9**	27.5	110.9
Change in fair value of limited and limited liability partnership interests	4	**1.6**	11.2	38.8
Loss on disposal of equity investments	5	**1.5**	5.7	10.8
Long term incentive carry scheme (credit)/charge	9	**0.1**	0.5	(4.7)
Carried interest scheme payments	9	**(1.5)**	(0.1)	(1.3)
Share-based payment charge		**0.8**	1.0	2.6
Finance income		**(4.8)**	(3.8)	(9.8)
Finance costs		**3.4**	2.2	5.6
Depreciation of right of use asset, property, plant and equipment		**0.3**	0.3	0.6
Corporate finance fees settled in the form of portfolio company equity		**-**	(0.1)	(0.1)
Changes in working capital				
Decrease/(increase) in trade and other receivables		**(0.8)**	2.9	1.3
Decrease in trade and other payables		**(1.1)**	(8.0)	(0.3)
Drawdowns from limited partners of consolidated funds		**0.1**	0.3	0.3
Other operating cash flows				
Interest received[1]		**2.3**	-	3.7
Net interest received		-	1.6	-
Net cash outflow from operating activities		**(9.3)**	(12.2)	(17.9)
Investing activities				
Purchase of equity and debt investments	3	**(48.7)**	(52.8)	(63.4)
Investment in limited and limited liability partnership funds	4	**(0.4)**	(7.0)	(9.8)
Investment in joint venture		**-**	(0.6)	(0.6)
Proceeds from sale of equity and debt investments	5	**2.6**	31.5	37.7
Distribution from limited partnership funds	4	**0.8**	0.7	0.9
Cash flow to deposits		**(60.0)**	(146.7)	(191.7)
Cash flow from deposits		**116.0**	132.7	218.4
Interest received on deposits[1]		**4.3**	-	4.1
Net cash (outflow)/inflow from investing activities		**14.6**	(42.2)	(4.4)
Financing activities				
Dividends paid	11	**-**	(7.7)	(13.0)
Repurchase of own shares - treasury shares	8	**(8.1)**	-	(0.1)
Lease principal payment		**(0.3)**	(0.3)	(0.5)
Interest paid[1]		**(3.3)**	-	(5.5)
Repayment of EIB loan facility		**(3.1)**	(3.1)	(6.2)
Drawdown of loan facility (net of costs)		**-**	60.0	60.0
Net cash inflow/(outflow) from financing activities		**(14.8)**	48.9	34.7
Net decrease in cash and cash equivalents		**(9.5)**	(5.5)	12.4
Cash and cash equivalents at the beginning of the period		**100.9**	88.7	88.7
Effect of foreign exchange rate changes		**(0.1)**	-	(0.2)
Cash and cash equivalents at the end of period		**91.3**	83.2	100.9

[1] In the current year interest paid and interest received on deposits have been shown separately. The directors have chosen not to represent the prior half year comparatives as the amounts are immaterial.

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

Consolidated statement of changes in equity
For the six months ended 30 June 2024

	Attributable to equity holders of the parent					
	Share capital	**Share premium £m**	**Retained earnings £m**	**Total £m**	**Non-controlling interest £m**	**Total equity £m**
At 1 January 2023 (audited)	21.3	102.5	1,257.9	1,381.7	(5.6)	1,376.1
Loss for the period	-	-	(53.9)	(53.9)	(1.4)	(55.3)
Currency translation	-	-	(0.5)	(0.5)	-	(0.5)
Total comprehensive income for the period	-	-	***(54.4)***	***(54.4)***	***(1.4)***	***(55.8)***

Issue of shares	-	-	-	-	-	-
Equity-settled share-based payments	-	-	1.0	1.0	-	1.0
Ordinary dividends	-	-	(7.7)	(7.7)	-	(7.7)
Total contributions by and distributions to owners	***-***	***-***	***(6.7)***	***(6.7)***	***-***	***(6.7)***
At 30 June 2023 (unaudited)	**21.3**	**102.5**	**1,196.8**	**1,320.6**	**(7.0)**	**1,313.6**
Loss for the period	-	-	(117.0)	(117.0)	(2.1)	(119.1)
Currency translation	-	-	(0.4)	(0.4)	-	(0.4)
Total comprehensive income for the period	***-***	***-***	***(117.4)***	***(117.4)***	***(2.1)***	***(119.5)***
Issue of shares	-	-	-	-	-	-
Purchase of treasury shares	-	-	(0.1)	(0.1)	-	(0.1)
Equity-settled share-based payments	-	-	1.6	1.6	-	1.6
Ordinary dividends	-	-	(5.3)	(5.3)	-	(5.3)
Total contributions by and distributions to owners	***-***	***-***	***(3.8)***	***(3.8)***	***-***	***(3.8)***
At 1 January 2024 (audited)	**21.3**	**102.5**	**1,075.6**	**1,199.4**	**(9.1)**	**1,190.3**
Loss for the period	-	-	(104.7)	(104.7)	(5.2)	(109.9)
Currency translation	-	-	(0.9)	(0.9)	-	(0.9)
Total comprehensive income for the period	***-***	***-***	***(105.6)***	***(105.6)***	***(5.2)***	***(110.8)***
Issue of shares	-	-	-	-	-	-
Purchase of treasury shares			(8.1)	(8.1)	-	(8.1)
Equity-settled share-based payments	-	-	0.8	0.8	-	0.8
Ordinary dividends	-	-	-	-	-	-
Total contributions by and distributions to owners	***-***	***-***	***(7.3)***	***(7.3)***	***-***	***(7.3)***
At 30 June 2024 (unaudited)	**21.3**	**102.5**	**962.7**	**1,086.5**	**(14.3)**	**1,072.2**

The accompanying notes form an integral part of the financial statements

1. Operating segments

For the year ended 31 December 2023 and the periods ended 30 June 2024 and 30 June 2023, the Group's revenue and loss 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 'Healthier future' thematic area

ii) Venture Capital investing within our 'Tech-enriched future' thematic area
iii) Venture Capital investing within our 'Regenerative future' 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.

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Six months ended 30 June 2024 (unaudited)

STATEMENT OF COMPREHENSIVE INCOME	Venture capital investing: Healthier future	*Of which Oxford Nanopore*	Venture capital investing: Tech enriched future	Venture capital investing: Regenerative future	Venture capital investing: Other	**Venture capital investing: Total**	Third party fund management	**Consolidated**
	£m	*£m*	£m	£m	£m	£m	£m	£m
Portfolio return and revenue								
Change in fair value of equity and debt investments	(97.5)	*(94.9)*	9.4	(12.7)	0.9	**(99.9)**	-	**(99.9)**
(Loss)/gain on disposal of equity and debt investments	(1.6)	-	0.1	-	-	**(1.5)**	-	**(1.5)**
Change in fair value of limited and limited liability partnership interests					(1.6)	**(1.6)**	-	**(1.6)**
Revenue from services and other income					2.1	**2.1**	1.7	**3.8**
	(99.1)	*(94.9)*	**9.5**	**(12.7)**	**1.4**	**(100.9)**	**1.7**	**(99.2)**
Administrative expenses								
Carried interest plan release/(charge)					(0.1)	**(0.1)**	-	**(0.1)**
Share-based payment charge					(0.7)	**(0.7)**	(0.1)	**(0.8)**
Other administrative expenses					(9.4)	**(9.4)**	(3.0)	**(12.4)**
					(10.2)	**(10.2)**	**(3.1)**	**(13.3)**

Operating loss	**(99.1)**	*(94.9)*	**9.5**	**(12.7)**	**(8.8)**	**(111.1)**	**(1.4)**	**(112.5)**
Finance income					4.4	**4.4**	0.4	**4.8**
Finance costs					(3.4)	**(3.4)**	-	**(3.4)**
Loss before taxation	**(99.1)**	*(94.9)*	**9.5**	**(12.7)**	**(7.8)**	**(110.1)**	**(1.0)**	**(111.1)**
Taxation					1.2	**1.2**	-	**1.2**
Loss for the period	**(99.1)**	*(94.9)*	**9.5**	**(12.7)**	**(6.6)**	**(108.9)**	**(1.0)**	**(109.9)**
STATEMENT OF FINANCIAL POSITION								
Assets	508.8	*78.7*	242.8	275.4	242.5	**1,269.5**	17.4	**1,286.9**
Liabilities					(208.3)	**(208.3)**	(6.4)	**(214.7)**
Net Assets	**508.8**	*78.7*	**242.8**	**275.4**	**34.2**	**1,061.2**	**11.0**	**1,072.2**
Other segment items:								
Portfolio Investment	**(33.9)**	-	**(2.0)**	**(12.8)**	**(0.4)**	**(49.1)**	**-**	**(49.1)**
Proceeds from sale of equity and debt investments	**2.5**	-	**0.1**	**-**	**0.8**	**3.4**	**-**	**3.4**

Six months ended 30 June 2023 (unaudited)

STATEMENT OF COMPREHENSIVE INCOME	Venture capital investing: Healthier future	*Of which Oxford Nanopore*	Venture capital investing: Tech enriched future	Venture capital investing: Regenerative future	Venture capital investing: Other	**Venture capital investing: Total**	Third party fund management	**Consolidated**
	£m	*£m*	£m	£m	£m	**£m**	£m	**£m**
Portfolio return and revenue								
Change in fair value of equity and debt investments	(32.7)	(27.8)	(7.0)	12.3	(0.1)	**(27.5)**	-	**(27.5)**
(Loss)/gain on disposal of equity and debt investments	(7.6)	-	1.9	-	-	**(5.7)**	-	**(5.7)**
Change in fair value of limited and limited liability partnership interests					(11.2)	**(11.2)**	-	**(11.2)**
Revenue from services and other income					0.7	0.7	2.4	3.1
	(40.3)	(27.8)	**(5.1)**	**12.3**	**(10.6)**	**(43.7)**	**2.4**	**(41.3)**
Administrative expenses								
Carried interest plan charge					(0.5)	**(0.5)**	-	**(0.5)**
Share-based payment charge					(0.9)	**(0.9)**	(0.1)	**(1.0)**
Other administrative expenses					(9.6)	**(9.6)**	(2.6)	**(12.2)**
					(11.0)	**(11.0)**	**(2.7)**	**(13.7)**
Operating loss	**(40.3)**	(27.8)	**(5.1)**	**12.3**	**(21.6)**	**(54.7)**	**(0.3)**	**(55.0)**
Finance income					3.7	**3.7**	0.1	**3.8**
Finance costs					(2.2)	**(2.2)**	-	**(2.2)**
Loss before taxation	**(40.3)**	(27.8)	**(5.1)**	**12.3**	**(20.1)**	**(53.2)**	**(0.2)**	**(53.4)**
Taxation					(1.1)	**(1.1)**	-	**(1.1)**
Loss for the period	**(40.3)**	(27.8)	**(5.1)**	**12.3**	**(21.2)**	**(54.3)**	**(0.2)**	**(54.5)**
STATEMENT OF FINANCIAL POSITION								
Assets	642.2	177.7	231.6	296.1	359.4	**1,529.3**	17.9	**1,547.2**
Liabilities					(227.7)	**(227.7)**	(5.9)	**(233.6)**
Net Assets	**642.2**	177.7	**231.6**	**296.1**	**131.7**	**1,301.6**	**12.0**	**1,313.6**
Other segment items:								
Portfolio Investment	**(24.9)**	**-**	**(10.8)**	**(17.2)**	**(6.9)**	**(59.8)**	**-**	**(59.8)**
Proceeds from sale of equity and debt investments	**0.1**	**-**	**31.4**	**-**	**0.7**	**32.2**	**-**	**32.2**

Portfolio return and revenue

Year ended 31 December 2023 (audited)

STATEMENT OF COMPREHENSIVE INCOME	Venture capital investing: Healthier future	*Of which Oxford Nanopore*	Venture capital investing: Tech enriched future	Venture capital investing: Regenerative future	Venture capital investing: Other	**Venture capital investing: Total**	Third party fund management	**Consolidated**
	£m	*£m*	£m	£m	£m	**£m**	£m	**£m**
Portfolio return and revenue								
Change in fair value of equity and debt investments	(92.9)	*(31.9)*	(7.0)	(8.7)	(2.3)	**(110.9)**	-	**(110.9)**
(Loss)/gain on disposal of equity and debt investments	(12.9)	-	2.1	-	-	**(10.8)**	-	**(10.8)**
Change in fair value of limited and limited liability partnership interests					(38.8)	**(38.8)**	-	**(38.8)**
Loss on disposal of subsidiary					-	**-**	-	**-**
Revenue from services and other income					1.3	**1.3**	4.6	**5.9**
	(105.8)	*(31.9)*	**(4.9)**	**(8.7)**	**(39.8)**	**(159.2)**	**4.6**	**(154.6)**
Administrative expenses								
Carried interest plan charge					4.7	**4.7**	-	**4.7**
Share-based payment charge					(2.3)	**(2.3)**	(0.3)	**(2.6)**

Other administrative expenses					(22.6)	**(22.6)**	(5.4)	**(28.0)**
					(20.2)	**(20.2)**	**(5.7)**	**(25.9)**
Operating loss	**(105.8)**	*(31.9)*	**(4.9)**	**(8.7)**	**(60.0)**	**(179.4)**	**(1.1)**	**(180.5)**
Finance income					9.4	**9.4**	0.4	**9.8**
Finance costs					(5.6)	**(5.6)**	-	**(5.6)**
Loss before taxation	**(105.8)**	*(31.9)*	**(4.9)**	**(8.7)**	**(56.2)**	**(175.6)**	**(0.7)**	**(176.3)**
Taxation	**-**	-	-	-	1.9	**1.9**	-	**1.9**
Loss for the period	**(105.8)**	*(31.9)*	**(4.9)**	**(8.7)**	**(54.3)**	**(173.7)**	**(0.7)**	**(174.4)**
STATEMENT OF FINANCIAL POSITION								
Assets	**576.5**	*173.6*	231.4	275.3	310.2	**1,393.4**	18.2	**1,411.6**
Liabilities					(214.7)	**(214.7)**	(6.6)	**(221.3)**
Net Assets	**576.5**	*173.6*	231.4	275.3	95.5	**1,178.7**	11.6	**1,190.3**
Other segment items:								
Portfolio Investment	**(33.9)**	**-**	**(11.9)**	**(17.6)**	**(9.8)**	**(73.2)**	**-**	**(73.2)**
Proceeds from sale of equity and debt investments	**3.7**	**-**	**33.2**	**0.1**	**1.6**	**38.6**	**-**	**38.6**

2. Earnings per share

Earnings	**Unaudited six months ended 30 June 2024 £m**	Unaudited six months ended 30 June 2023 £m	Audited year ended 31 December 2023 £m
Earnings for the purposes of basic and dilutive earnings per share	**(105.6)**	(53.9)	(171.3)

Number of shares	**Unaudited six months ended 30 June 2024** Number of shares	Unaudited six months ended 30 June 2023 Number of shares	Audited year ended 31 December 2023 Number of shares
Weighted average number of ordinary shares for the purposes of basic earnings per share	**1,031,449,8069**	1,035,891,3111	1,036,400,4068
Effect of dilutive potential ordinary shares: Options or contingently issuable shares	**–**	–	–
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**1,031,449,8069**	1,035,891,3111	1,036,400,4068

	Unaudited six months ended 30 June 2024 £m	Unaudited six months ended 30 June 2023 £m	Audited year ended 31 December 2023 £m
Basic	**(10.24)**	(5.20)	(16.53)
Diluted	**(10.24)**	(5.20)	(16.53)

No adjustment has been made to the basic loss per share in the period ended 30 June 2024, as the exercise of share options would have the effect of reducing the loss per ordinary share, and therefore is not dilutive.

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

3. Portfolio: Equity and debt investments and Assets Held for Sale

Assets held for sale

During the reporting period, Garrison Technology Ltd and part of the Group's holding in Centessa Pharmaceuticals plc met the classification criteria as Assets held for sale and were hence reclassified from Equity Investments to Assets held for sale.

Equity and Debt investments within the Top 20 by holding value

The following table lists information on the 20 most valuable equity and debt portfolio company investments, which represent 69% of the total portfolio value (HY23: 70%, FY23: 70%). Detail on the performance of these companies is included in the Life Sciences, Deeptech and Cleantech portfolio reviews.

The Group engages third-party valuation specialists to provide valuation support where required; during the period we commissioned third-party valuations on two out of the top 20 holdings (HY23: four, FY23: nine).

Company name	Primary valuation basis	**Fair value of Group holding at 30 June 2024 £m**
Istesso Limited	Discounted cash flow	127.6
Featurespace Limited	Revenue multiple	112.7
Hysata Pty Ltd	Funding transaction < 12 months, PWERM	81.0

Oxford Nanopore Technologies plc	Quoted bid price	78.7
Oxa Autonomy Limited	Funding transaction > 12 months, PWERM	65.7
First Light Fusion Limited	*Adjusted funding - downwards	49.0
Hinge Health, Inc.	*Adjusted funding - downwards	34.2
Pulmocide Limited	Adjusted funding - upwards	23.0
Mission Therapeutics Limited	Funding transaction < 12 months, PWERM	22.5
Bramble Energy Limited	Funding transaction > 12 months, PWERM	20.9
Crescendo Biologics Limited	Funding transaction > 12 months, PWERM	19.6
Oxford Science Enterprises plc	Future event	19.3
Artios Pharma Limited	Adjusted funding - downwards	17.4
Microbiotica Limited	Funding transaction > 12 months, PWERM	16.2
Nexeon Limited	Funding transaction > 12 months	15.9
Accelercomm Limited	Funding transaction > 12 months	12.5
Storm Therapeutics Limited	Funding transaction > 12 months	11.5
Genomics plc	Funding transaction < 12 months, PWERM	11.4
Centessa Pharmaceuticals plc	Quoted bid price	11.3
Autifony Therapeutics Limited	Discounted cash flow	10.7
Total		**761.1**

* Third-party valuation specialists used for 30 June 2024 valuation. In these instances, the valuation basis is management's assessment of the primary valuation input used by the third-party valuation specialist.

	Level 1	Level 3		
	Equity investments in quoted spin-out companies £m	Unquoted equity investments in spin-out companies £m	Debt investments in unquoted spin-out companies £m	Total £m
At 1 January 2023 (audited)	**228.7**	**892.1**	**38.1**	**1,158.9**
Investments	-	30.1	22.7	52.8
Transaction-based reclassifications	-	7.6	(7.6)	-
Other transfers between hierarchy levels	2.2	(2.2)	-	-
Disposals	(1.1)	(0.1)	(0.3)	(1.5)
Fees settled via equity	-	0.2	-	0.2
Change in revenue share	-	(1.5)	-	(1.5)
Change in fair value[1]	(22.8)	(2.3)	5.8	(19.3)
Change in FX	(0.5)	(6.6)	(1.1)	(8.2)
At 30 June 2023 (unaudited)	**206.5**	**917.3**	**57.6**	**1,181.4**
Investments	-	2.7	7.9	10.6
Transaction-based reclassifications	-	0.2	(0.2)	-
Other transfers between hierarchy levels	(0.4)	0.4	-	-
Disposals	(0.5)	(7.5)	-	(8.0)
Fees settled via equity	-	(0.1)	-	(0.1)
Change in revenue share	-	(5.3)	-	(5.3)
Change in fair value[1]	(1.7)	(101.4)	17.7	(85.4)
Change in FX	(0.1)	1.4	0.7	2.0
At 1 January 2024 (audited)	**203.8**	**807.7**	**83.7**	**1,095.2**
Investments	0.6	31.1	17.0	48.7
Transaction-based reclassifications	-	44.5	(44.5)	-
Other transfers between hierarchy levels	-	-	-	-
Disposals	(0.7)	-	-	(0.7)
Reclassification to Assets Held for Sale	(8.2)	(30.1)	-	(38.3)
Fees settled via equity	-	-	-	-
Change in revenue share	-	-	-	-
Change in fair value[1]	(95.2)	(6.7)	2.2	(99.7)
Change in FX	0.2	0.2	(0.6)	(0.2)
At 30 June 2024 (unaudited)	**100.5**	**846.7**	**57.8**	**1,005.0**

[1]The total unrealised change in fair value and FX in respect of Level 3 investments for HY24 was a loss of £4.9m (HY23: loss of £4.2m, FY23: loss of £85.8m).

Unquoted equity and debt investment 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 £nil (HY23: £2.2m, FY23: £1.8m). 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 instances in the current period (HY23: one instance, £0.0m, FY23: one instance, £0.0m).

Transfers between level 3 debt and level 3 equity occur upon conversion of convertible debt into equity. In the period to 30 June 2024, transfers of this nature amounted to £44.5m (HY23: £7.6m, FY23: £7.8m).

The Group has considered the impact of ESG and climate change issues on its portfolio, including performing a materiality assessment which suggested the Group's portfolio has a relatively low level of climate change risk, and clear areas of opportunity via the Group's Cleantech investments. For an overview of the portfolio split by sector, please refer to the portfolio analysis by sector above. We believe our current valuation approach, based largely on funding transactions and quoted valuations, reflects market participant assessment of the ESG and climate risks and opportunities of our portfolio.

At the period end date, the Group was in the process of disposing of investments including Garrison Technology Limited, which were accordingly reclassified within current assets as Assets Held for Sale.

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. The table illustrates the sensitivity of the valuations to these inputs. The inputs of investments valued using techniques which involve significant subjectivity have been flexed, as below.

Valuation Technique	**Fair value of investments**	**Variable inputs**	**Variable input sensitivity**	**Positive impact**		**Negative impact**		**Fair value of investments**	**Fair value of investments**
	HY24							**HY23**	**FY23**
	£m		**£m**	**£m**	**% of NAV**	**£m**	**% of NAV**	**£m**	**£m**
Quoted	100.5	n/a	n/a	n/a	n/a	n/a	n/a	206.5	203.8
Funding transaction <12 months	177.8	n/a	+/-5%	8.9	0.8%	(8.9)	(0.8%)	268.0	187.9
Funding transaction >12 months	222.3	n/a	+/-5%	11.1	1.0%	(11.1)	(1.0%)	191.0	162.7
Other: Future market/commercial events	39.4	• Estimated impact of future event • Execution risk discount applied to future event (where positive) • Scenario probabilities • Discount rates • Extent to which future event is indicative of facts and circumstances in existence at the balance sheet date	+/-10%	3.9	0.4%	(3.9)	(0.4%)	15.8	25.0
Other: Adjusted financing price based on past performance - Upwards*	36.0	• Company-specific milestone analysis resulting in a positive calibration adjustment versus the previous funding transaction price	+/-10%	3.6	0.3%	(3.6)	(0.3%)	178.3	99.9
Other: Adjusted financing price based on past performance - Downwards*	163.4	• Company-specific milestone analysis resulting in a positive calibration adjustment versus the previous funding transaction price	+/-10%	16.3	1.5%	(16.3)	(1.5%)	129.2	203.9
Other: Revenue multiple*	125.1	• Estimate of future recurring revenues • Selection of comparable companies • Discount/premium to multiple	+/-10%	12.5	1.2%	(12.5)	(1.2%)	76.8	85.4
Other: DCF*	140.5	• Discount rate • Clinical trial and drug approval success rates • Estimate of likelihood, value and structure of a potential pharmaceutical partnership • Estimate of addressable market • Market share and royalty rates • Probability estimation of liquidity event • Estimate of forward exchange rates	+/-20%	28.1	2.6%	(28.1)	(2.6%)	115.8	126.6
Total	**1,005.0**			**84.4**		**(84.4)**		**1,181.4**	**1,095.2**

*Due to the large number of inputs used in the valuation of these assets, unobservable inputs are below a size threshold that would warrant disclosure under IFRS 13, paragraph 93(d). Due to the large number of inputs, any range of reasonably possible alternative assumptions does not significantly impact the fair value and hence no valuation sensitivity is required under IFRS 13 paragraph 93(h)(ii).

Within the 'Other: DCF' category above is Istesso Limited, in which we value the equity of IP Group's holding at £90.6m as at 30 June 2024 (HY23: £86.7m, FY23: £86.7m), and the debt at £37.0m as at 30 June 2024 (HY23: £27.0m, FY23: £27.0m). The valuation of the equity in this company is based on a DCF model in which the key inputs include the discount rate, probability of clinical trial success, market share and royalty rates and the selection of relevant comparable deal sizes. The DCF model assesses the value of the future cash flows which would arise from the successful development of the company's lead asset Leramistat, which is in a PhIIb trial, within Rheumatoid Arthritis. Our estimated range for the value of the Group's equity investment as at 30 June 2024 is based on this DCF model, which was provided by external valuation advisors as at 31 December 2023 and updated internally as at 30

June 2024, is £90.6m to £144.1m (HY23: £66.0m to £103.0m, FY23: £80.0m to £120.0m). A valuation range was not calculated in respect of the Group's debt investment in Istesso Limited, which has a total value of £37.0m (HY23: £27.0m, FY23 £27.0m). The outcome of Istesso Limited's Phase 2b clinical trial in Rheumatoid Arthritis, which is expected in the second half of 2024, may result in a material change in the valuation range.

Within the 'Other: Adjusted financing price based on past performance - Downwards' category above is First Light Fusion Limited, in which we value the equity of IP Group's holding at £49.0m as at 30 June 2024 (HY23: £114.5m, FY23: £64.9m). The valuation of the equity in this company is based on the last financing round price, calibrated downwards to reflect the difficult funding environment, despite its achievement of fusion subsequent to the fundraise, and an assessment of recent comparable company financing transactions. Our estimated range for the value of the Group's equity investment in First Light Fusion based on this model as at 30 June 2024 is £31.1m to £49.4m (HY23: £62.1m to £123.5m, FY23: £48.0m to £99.0m).

Change in fair value and FX in the period	**Unaudited six months ended 30 June 2024 £m**	Unaudited six months ended 30 June 2023 £m	Audited year ended 31 December 2023 £m
Fair value gains	**65.9**	25.3	97.4
Fair value losses	**(168.9)**	(52.8)	(208.3)
Total	**(103.0)**	(27.5)	(110.9)

4. Portfolio: Limited and limited liability partnership interests

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 the period end.

Limited & Limited Liability Partnerships	Functional currency	Status	**Unaudited six months ended 30 June 2024 £m**	Unaudited six months ended 30 June 2023 £m	Audited year ended 31 December 2023 £m
IPG Cayman Fund L.P. (Longview Innovation)	USD	Unaudited & adjusted downwards	**45.6**	74.6	46.0
UCL Technology Fund L.P.	GBP	Unaudited	**19.3**	17.2	20.7
Technikos LLP	GBP	Unaudited & adjusted downwards	**2.8**	2.9	3.0
Total			**67.7**	94.7	69.7

We reviewed the underlying valuation methodologies adopted by our Fund managers for all Fund investments of material value. Following our review of valuation methodologies, we were satisfied that the techniques utilised were appropriate, other than in respect of IPG Cayman Fund L.P. and Technikos LLP where downwards adjustments were made to the fund manager's NAV estimate.

Limited & Limited Liability Partnerships movements in the period	£m
At 1 January 2023 (audited)	**99.6**
Investments	7.0
Distribution from Limited Partnership funds	(0.7)
Change in fair value	(8.3)
Currency revaluation	(2.9)
At 30 June 2023 (unaudited)	**94.7**
Investments	2.8
Distribution from Limited Partnership funds	(0.2)
Change in fair value	(28.2)
Currency revaluation	0.6
At 1 January 2024 (audited)	**69.7**
Investments	0.4
Distribution from Limited Partnership funds	(0.8)
Change in fair value	(1.6)
Currency revaluation	-
At 30 June 2024 (unaudited)	**67.7**

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 a significant accounting estimate, as management has applied judgment in adjusting the NAV estimates provided by the fund manager. 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 set out in Note 3. 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. If no adjustment had been made to the NAV estimates provided by the fund manager, the carrying value of Limited Liability investments would be higher by £13.1m (FY23: £9.8m).

5. (Loss)/Gain on disposal of equity investments

	Unaudited six months ended	Unaudited six months ended	Audited year ended 31

	ended 30 June 2024 £m	ended 30 June 2023 £m	31 December 2023 £m
Proceeds from sale of debt and equity investments	**2.6**	31.5	37.7
Movement in amounts receivable on sale of debt and equity investments	**(3.4)**	(35.7)	(39.0)
Carrying value of investments	**(0.7)**	(1.5)	(9.5)
(Loss) on disposal	**(1.5)**	(5.7)	(10.8)

(Loss) on disposal of investments is calculated as disposal proceeds plus 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 accrued is received.

6. Receivable on sale of debt and equity investments

	Unaudited six months ended 30 June 2024 £m	Unaudited six months ended 30 June 2023 £m	Audited year ended 31 December 2023 £m
Deferred and contingent consideration (non-current)	**4.3**	4.0	7.8
Deferred and contingent consideration (current)	**1.5**	8.5	1.4
Total deferred and contingent consideration	**5.8**	12.5	9.2

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

Investment	Primary Valuation Basis	**Unaudited six months ended 30 June 2024 £m**	Unaudited six months ended 30 June 2023 £m	Audited year ended 31 December 2023 £m
Enterprise Therapeutics Holdings Limited	Probability-weighted DFC model reflecting potential milestone payments	**3.9**	11.4	7.7
Reinfer Limited	Discounted sale amount	**-**	1.1	-
Zihipp Limited	Probability-weighted DFC model reflecting potential milestone payments	**1.9**	-	1.5
Total		**5.8**	12.5	9.2

During the period £1.4m (HY23: £30.9m, FY23: £32.4m) of cash was received in respect of amounts recognised as deferred consideration.

7. Borrowings and Loans from Limited Partners of consolidated funds

Current liabilities	**Unaudited six months ended 30 June 2024 £m**	Unaudited six months ended 30 June 2023 £m	Audited year ended 31 December 2023 £m
Borrowings	**6.2**	6.3	6.3
Total	**6.2**	6.3	6.3

Non-current liabilities	**Unaudited six months ended 30 June 2024 £m**	Unaudited six months ended 30 June 2023 £m	Audited year ended 31 December 2023 £m
Loans drawn down from the Limited Partners of consolidated funds	**19.9**	19.8	19.8
Borrowings	**125.9**	132.0	128.9
Total	**145.8**	151.8	148.7

8. Share capital

	Unaudited six months ended 30 June 2024		Unaudited six months ended 30 June 2023		Audited year ended 31 December 2023	
Issued and fully paid:	**Number**	**£m**	Number	£m	Number	£m
Ordinary shares of 2p each						
At 1 January	**1,063,188,005**	**21.3**	1,063,188,005	21.3	1,063,188,005	21.3
Issued in respect of scrip dividend	**-**	**-**	-	-	-	-
Share capital at period end	**1,063,188,005**	**21.3**	1,063,188,005	21.3	1,063,188,005	21.3
Existing treasury shares at 1 January	**(26,493,520)**	**(0.5)**	(28,110,373)	(0.6)	(28,110,373)	(0.6)
Purchase of treasury shares	**(16,631,176)**	**(0.3)**	-	-	(220,302)	-
Shares transferred out of	**-**	**-**	285,335	-	285,335	-

treasury for SAYE						
Settlement of employee share-based payments	**4,481,489**	**0.1**	1,551,820	-	1,551,820	-
Outstanding at period end	**1,024,544,798**	**20.6**	1,036,914,787	20.7	1,036,694,485	20.7

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 2024, the Company purchased 16,631,176 ordinary shares (2023: 220,302 shares) with an aggregate nominal value of £0.3m (2023 - £0.2k), and they are held in treasury. Retained profits have been reduced by £8.1m (2023: £0.1m), being the net consideration paid for these shares, including the expenses directly relating to the treasury share purchase. At 30 June 2024 the company had 38,643,207 treasury shares (HY23: 26,273,218 FY23: 26,493,520).

9. Long-term incentive carry scheme - Carried interest plan liability

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 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 equity and debt investments, 76.7% are included in LTICS arrangements (HY23: 70.0%, FY23: 69.0%).

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 is a significant accounting estimate). The actual amounts of carried interest paid will depend on the cash realisations of individual vintages, and valuations may change significantly in the next financial year. Movements in the liability are recognised in the consolidated statement of comprehensive income.

	Unaudited six months ended 30 June 2024 £m	Unaudited six months ended 30 June 2023 £m	Audited year ended 31 December 2023 £m
At 1 January	**38.0**	44.1	44.1
Charge/(credit) for the period/year	**0.1**	0.5	(4.7)
Payments made in the period/year	**(1.5)**	(0.1)	(1.3)
Foreign exchange movements	**-**	(0.1)	(0.1)
At period/year end	**36.6**	44.4	38.0

10. Related party transactions

All related party transactions that took place in the six months ending 30 June 2024 are consistent in nature with the disclosures in Note 24 on pages 195 to 198 of the Annual report and accounts 2023. There were no related party transactions which took place in the period that materially affected performance or the financial position of the Group.

11. Dividends

	Unaudited six months ended 30 June 2024		Unaudited six months ended 30 June 2023		Audited year ended 31 December 2023	
Declared and paid during the year	**per share**	**£m**	per share	£m	per share	£m
Ordinary shares:						
Interim dividend	**-**	**-**	-	-	0.51	5.3
Prior financial year final dividend paid	**-**	**-**	0.76	7.7	0.76	7.7
Dividends paid to equity owners in the period	**-**	**-**	0.76	7.7	1.27	13.0
Proposed interim dividend at half year	**-**	**-**	0.51	5.3	0.51	5.3
Proposed final dividend at financial year end	**-**	**-**	-	-	-	-

In its 2023 results, the Group reiterated the Board's commitment to making regular cash returns to shareholders from realisations but announced that, in light of the prevailing discount between the Company's share price and its NAV per share, these regular cash returns will normally be made in the form of share buybacks when the share price discount to NAV exceeds 20%. As a result, no dividends were paid in the period (HY23: 7.7m, FY23: £13.0m).

12. 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 more consistent basis for comparing the business' performance between financial periods and provide more detail concerning the elements of performance which the managers of the Group are most directly able to influence or are relevant for an assessment of the Group. They also reflect an important aspect of the way in which operating targets are defined and performance is monitored by the directors. These measures are not defined by IFRS and therefore may not be directly comparable with other companies' APMs, including those in the Group's industry. APMs should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements.

The directors believe that these APMs assist in providing additional useful information on the underlying trends, performance and position of the Group. Consequently, APMs are used by the directors and management for performance analysis, planning, reporting and incentive-setting purposes.

Calculation

APM	Reference for reconciliation	Definition and purpose	Calculation	Unaudited six months ended 30 June 2024 £m	Unaudited six months ended 30 June 2023 £m	Audited year ended 31 December 2023 £m
NAV per share	Primary statements	NAV per share is defined as Net Assets divided by the number of outstanding shares. The measure shows net assets managed on behalf of shareholders by the Group per outstanding share. NAV per share is a standard measure used within our peer group and can be directly compared with the Group's share price.	NAV	£1,072.2m	£1,313.6m	£1,190.3m
			Shares in issue	1,024,544,798	1,036,914,787	1,036,694,485
			NAV per share	**104.7p**	**126.7p**	**114.8p**
Return on NAV	Primary statements	Return on NAV is defined as the total comprehensive income or loss for the period 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	(110.8)	(55.3)	(174.8)
			Excluding: Share-based payment charge	**0.8**	1.0	2.6
			Return on NAV	**(110.0)**	**(54.3)**	**(172.2)**
Net portfolio gains/(losses)	note 3,4,8	Net portfolio gains 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	**(99.9)**	(27.5)	(110.9)
			(loss)/Gain on disposal of equity investments	**(1.5)**	(5.7)	(10.8)
			Change in fair value of LP interests[2]	**(1.6)**	(11.2)	(38.8)
			Net portfolio (loss)	**(103.0)**	**(44.4)**	**(160.5)**
Total portfolio[1]	Consolidated statement of financial position	Total portfolio is defined as the total of equity investments, debt investments and investments in LPs. 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	**947.2**	1,123.8	1,011.5
			Debt investments	**57.8**	57.6	83.7
			LP interests	**67.7**	94.7	69.7
			Assets held for sale	**38.3**	-	-
			Total Portfolio	**1,111.0**	**1,276.1**	**1,164.9**
Portfolio investment	Primary statements	Portfolio investment is defined as the purchase of equity and debt investments plus investments into limited partnership interests. This gives a combined measure of investment into the Group's portfolio	Purchase of equity and debt investments	**(48.7)**	(52.8)	(63.4)
			Investment in limited and limited liability partnerships	**(0.4)**	(7.0)	(9.8)
			Portfolio investment	**(49.1)**	**(59.8)**	**(73.2)**
Cash proceeds	Primary statements	Cash proceeds is defined as the proceeds from the disposal of equity and debt investments plus distributions received from limited partnership interests. This gives a combined measure of cash received from the Group's portfolio.	Proceeds from the sale of equity investments	**2.6**	31.5	37.7
			Distributions from limited partnership funds	**0.8**	0.7	0.9
			Cash proceeds	**3.4**	**32.2**	**38.6**

APM	Reference for reconciliation	Definition and purpose	Calculation	Unaudited six months ended 30 June 2024 £m	Unaudited six months ended 30 June 2023 £m	Audited year ended 31 December 2023 £m
Net overheads	Financial review	Net overheads are defined as the Group's core overheads less operating income. The measure reflects the Group's controllable net operating "cash-equivalent" central cost base.	Other income	3.8	3.1	5.9
			Other administrative expenses	(12.4)	(12.2)	(28.0)
			Excluding:			
		Net overheads exclude items such as share-based payments and consolidated portfolio company costs.	Non-portfolio foreign exchange movements	**(0.1)**	(1.2)	(0.4)
			Administrative expenses: consolidated portfolio companies	**-**	-	-
			Net overheads	**(8.7)**	**(10.3)**	**(22.5)**
Gross Cash and deposits	Primary statements	Cash and deposits is defined as cash and cash equivalents plus deposits. The measures give a view of the Group's liquid resources on a short-term timeframe. The Group's Treasury Policy has a maximum maturity limit of 13 months for deposits.	Cash and cash equivalents	**91.3**	83.2	100.9
			Deposit	**70.0**	166.8	126.0
			Cash	**161.3**	**250.0**	**226.9**
(Loss)/profit excluding ONT	Primary statements	Loss/profit excluding ONT is defined as the Group's (loss)/profit for the period (after tax) excluding the (loss)/profit on the investment held in Oxford Nanopore publicly quoted shares both realised and unrealised.	(Loss) for the period	**(109.9)**	(54.5)	(174.4)
			Excluding:			
			Change in fair value of equity investment in Oxford Nanopore	**94.9**	27.8	31.9
			(Loss)/profit excluding ONT	**(15.0)**	**(26.7)**	**(142.5)**
Simple return on capital (%)	Note 12 (Net Portfolio gain/loss, Total portfolio)	Defined as net portfolio gains/losses divided by the opening total portfolio value.	Net portfolio (losses)	**(103.0)**	(44.4)	(160.5)
		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.	Opening total portfolio value	**1,164.9**	1,258.5	1,258.5
			Simple return on capital (%)	**-9%**	**-4%**	**-13%**
% Return on NAV	Note 12 (return on NAV)	Defined as return on NAV divided by the opening Net Asset Value.	Return on NAV	**(110.0)**	(54.3)	(172.2)
	Primary statements (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.	Opening Net Asset Value	**1,190.3**	1,376.1	1,376.1
			Return on NAV (%)	**-9%**	**-4%**	**-13%**

1 At the period end date, the Group was in the process of disposing of a number of assets, which were accordingly reclassified within current assets as Assets Held for Sale. These assets are considered to be part of the Group's investment portfolio and have been managed as such throughout the period. Accordingly the APM has been amended to included Assets Held for Sale within the Group's Total portfolio APM

13. Post balance sheet events

As at 13 September 2024, unrealised fair value gains subsequent to the reporting date in respect of the Group's quoted portfolio totalled £53m, largely in respect of Oxford Nanopore Technologies plc, which has seen a fair value gain of £42.0m since 30 June 2024.

Post period end, the Group has generated proceeds of £41.2m through the disposal of portfolio investments including Garrison (£30m) and a number of other holdings. In the case of Garrison and half our holding in Centessa, these investments were classified as Assets Held for Sale within the 30 June 2024 balance sheet.

Statement of Directors' responsibilities

General information

The comparative financial information presented herein for the year ended 31 December 2023 does not constitute full statutory accounts within the meaning of the Companies Act 2006. The Group's Annual Report and Accounts for the year ended 31 December 2023 have been delivered to the Registrar of Companies. The Group's independent auditor's report on those accounts was unqualified, did not include references to any matters to which the auditor drew attention by way of emphasis without qualifying their report and did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006.

Accounting policies

Basis of preparation

This condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK.

The annual financial statements of the Group are prepared in accordance with UK-adopted international accounting

The annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards. As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the year ended 31 December 2023.

Accounting estimates and judgements

The preparation of the half-yearly results requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. 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.

In preparing these half-yearly results, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty relating to the valuation of unquoted equity and debt investments and limited partnership interests were the same as those applied to the audited consolidated financial statements for the year ended 31 December 2023.

The significant accounting judgments made in preparing these half-yearly results relating to the application of IFRS 10 in respect of Istesso Limited and IPG Cayman LP were updated to reflect events during the period as follows:

- For Istesso Limited, the investment of £10m in the period, primarily via convertible loan notes ('CLN'). Given the investment represented the drawdown of an amount that was legally committed in 2023 and which conferred on additional substantive rights, the Directors concluded that IP Group continues not to control Istesso Limited under IFRS 10.
- For IPG Cayman LP, there we no significant changes in the facts and circumstances pertaining to control and as a result the Directors concluded that IP Group continues not to control IPG Cayman LP under IFRS 10.

Going concern

The Directors are required to satisfy themselves that it is reasonable to presume that the Group is a going concern. The Group had Cash and Deposits of £161.3m as at 30 June 2024. In light of the Group's forecast net overhead costs, debt repayment obligations and other committed spend, the Directors are satisfied that in taking account of reasonably possible downsides, the Group has adequate access to resources to enable it to meet its obligations and to continue in operational existence for at least the next 12 months.

Statement of Directors' responsibilities

The Directors confirm to the best of their knowledge that: the half-yearly results have been prepared in accordance with IAS 34 as adopted by the European Union; and the interim management report includes a fair review of the information required by the FCA's Disclosure and Transparency Rules (4.2.7 R and 4.2.8 R).

By order of the Board

Sir Douglas Flint Chairman	**Greg Smith** Chief Executive Officer

16 September 2024

INDEPENDENT REVIEW REPORT TO IP GROUP PLC

1. *Conclusion*

We have been engaged by IP Group plc ("the Company") to review the condensed set of financial statements in the half-yearly financial results for the six months ended 30 June 2024 which comprises the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial results for the six months ended 30 June 2024 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the UK and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

2. *Basis for conclusion*

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("ISRE (UK) 2410") issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

3. *Directors' responsibilities*

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

The annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards.

The directors are responsible for preparing the condensed set of financial statements included in the half-yearly

The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

In preparing the condensed set of financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

4. *Our responsibility*

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

5. The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Jatin Patel
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL
16 September 2024