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THE DEFINED TERMS SET OUT IN THE APPENDIX APPLY IN THIS ANNOUNCEMENT.

10 March 2015

**IP Group plc
(“IP Group” or the “Company”)**

**Proposed Firm Placing, Placing and Open Offer
and Notice of General Meeting**

The Board of IP Group announces a share issue to raise gross proceeds of approximately GBP 128.0 million (approximately GBP 124.7 million net of expenses) through the issue of 56,888,888 Capital Raising Shares by way of a Firm Placing, Placing and Open Offer (together the "Capital Raising") at a price of 225.0 pence per share.

The Issue Price represents a discount of 6.6 per cent to the closing middle-market price (as derived from the Daily Official List) of 240.9 pence per share on 9 March 2015.

IP Group will shortly be publishing a Prospectus in connection with the Capital Raising and will convene a General Meeting to approve certain matters necessary to implement the proposed Capital Raising.

Summary

- The Capital Raising was significantly oversubscribed
- Issue of 51,111,111 Capital Raising Shares through a Firm Placing and 5,777,777 Capital Raising Shares through the Placing and Open Offer raising gross proceeds of GBP 128.0 million.
- Qualifying Shareholders are being offered the opportunity to participate in the Open Offer by subscribing for their respective Open Offer Entitlements and Excess Shares under the Excess Application Facility. The Open Offer is intended primarily for the benefit of smaller shareholders – undertakings received from Shareholders ensure that 80.3 per cent of Open Offer Shares are available to meet Excess Applications
- The Capital Raising will enable IP Group to accelerate its growth by increasing its overall rate of investment in both its current portfolio and in new opportunities in the UK and the US that progress to the post-seed stage

- The Capital Raising will also provide capital to enable the Group to continue to expand its access to, and provide capital to enable the development of, technology from its partner universities and other premier research intensive institutions, both in the UK and US
- The Capital Raising will provide capital to fund the continued growth of the Group's US business
- The Capital Raising is conditional on the passing of the Resolutions at the General Meeting. If the Resolutions are passed and the other conditions to the Capital Raising are satisfied, it is expected that dealings in the Capital Raising Shares will commence at 8.00 a.m. on 27 March 2015
- IP Group has also today released its annual results for the year ending 31 December 2014

The Prospectus concerning the Capital Raising will shortly be sent to Shareholders and will also be made available on the Company's website www.ipgroupplc.com. Further details are set out in this announcement and in the Prospectus. A copy of the Prospectus will be submitted to the National Storage Mechanism and will shortly be available for inspection at: <http://www.hemscott.com/nsm.do>.

Alan Aubrey, Chief Executive Officer of IP Group, said:

"We believe there is a significant opportunity to continue to accelerate the Group's growth by increasing our overall rate of capital deployment into our existing portfolio as well as into new early stage opportunities, both in the UK and the US. We remain confident in the prospects for the Group and would like to thank all of our stakeholders for their continued support."

Readers are referred to the important notice that applies to this announcement. Unless otherwise stated, references to time contained in this announcement are to UK time. This announcement has been issued by and is the sole responsibility of IP Group plc.

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IMPORTANT NOTICE

This announcement is an advertisement and does not constitute a prospectus or prospectus equivalent document. Nothing in this announcement should be interpreted as a term or condition of the Open Offer. Investors should not subscribe for or purchase any shares in the Open Offer except on the basis of the information contained in the Prospectus to be published shortly or which is incorporated by reference into the Prospectus. The Prospectus, when published, will be made available on the Company's website (www.ipgroupplc.com) and will be available for inspection at: <http://www.hemscott.com/nsm.do>.

This announcement does not constitute or form part of any offer or invitation to purchase, or otherwise acquire, subscribe for, sell, otherwise dispose of or issue, or any solicitation of any offer to

sell, otherwise dispose of, issue, purchase, otherwise acquire or subscribe for, any security in the capital of the Company in any jurisdiction.

The information contained in this announcement is not for release, publication or distribution to persons in the United States, Canada, Australia, Japan, New Zealand or The Republic of South Africa or in any jurisdiction where to do so would breach any applicable law. The Capital Raising Shares have not been and will not be registered under the securities laws of such jurisdictions and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within such jurisdictions except pursuant to an exemption from and in compliance with any applicable securities laws. No public offer of the Capital Raising Shares is being made by virtue of this announcement into Australia, Canada, Japan, New Zealand, the Republic of South Africa or the United States or any other jurisdiction outside the United Kingdom in which such offer would be lawful. No action has been or will be taken by the Company or any other person to permit a public offering or distribution of this announcement or any other offering or publicity materials or the Capital Raising Shares in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.

The Capital Raising Shares and any entitlements pursuant to the Open Offer will not be registered under the US Securities Act of 1933, as amended (the “US Securities Act”), or the relevant laws of any state, province or territory of the United States. Unless so registered, the Capital Raising Shares and any entitlements pursuant to the Open Offer may not be offered, sold, taken up or exercised, within the United States except in a transaction that is exempt from, or not subject to, the registration requirements of the US Securities Act. There will be no public offer in the United States. Outside the United States, the Capital Raising Shares are being offered in reliance on Regulation S under the US Securities Act. The Capital Raising Shares are being offered within the United States only to persons reasonably believed to be (i) either (a) qualified institutional buyers (within the meaning of Rule 144A under the US Securities Act) or (b) accredited investors (within the meaning of Section 501 of Regulation D under the US Securities Act) and (ii) qualified purchasers (as defined in Section 2(a)(51) of the US Investment Company Act of 1940, as amended).

This announcement has been issued by and is the sole responsibility of the Company.

This announcement has been prepared for the purposes of complying with the applicable law and regulation of the United Kingdom and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside of the United Kingdom.

Note regarding forward-looking statements:

This announcement includes statements that are, or may be deemed to be, forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “anticipates”, “believes”, “estimates”, “expects”, “intends”, “may”, “plans”, “projects”, “should” or “will”, or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include, but are not limited to, statements regarding the Company’s and/or Directors’ intentions, beliefs or current expectations concerning, amongst other things, the Group’s results of operations, financial position, prospects, growth, strategies and expectations for the Company’s or its portfolio companies principal markets.

Any forward-looking statements in this announcement reflect the Company’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group’s operations, results of operations and growth strategy. Investors should specifically consider the factors identified in this announcement which could cause actual results to differ before making an investment decision. Subject to the requirements of the Prospectus Rules, the Disclosure and Transparency Rules and the Listing Rules, none of the Company or the Directors undertake any obligation

publicly to release the result of any revisions to any forward-looking statements in this announcement that may occur due to any change in the Company's expectations or to reflect events or circumstances after the date of this announcement. Past performance of the Company is not necessarily indicative of future performance.

You are advised to read this announcement and, once available the Prospectus and the information incorporated by reference therein, in their entirety for a further discussion of the factors that could affect the Company's or the Group's future performance and the industries in which they operate. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this announcement may not occur.

Neither the content of the Company's website (or any other website) nor any website accessible by hyperlinks on the Company's website (or any other website) is incorporated in, or forms part of, this announcement.

Any person receiving this announcement is advised to exercise caution in relation to the Capital Raising. If in any doubt about any of the contents of this announcement, independent professional advice should be obtained.

This summary should be read in conjunction with the full text of the announcement which follows.

Expected timetable

Record Date for entitlement under the Open Offer	5.00pm on 9 March 2015
Announcement of the Capital Raising	10 March 2015
Ex-entitlement date for the Open Offer	10 March 2015
Publication and posting of the Prospectus, Form of Proxy and Application Form	10 March 2015
Open Offer Entitlements credited to stock account of Qualifying CREST Shareholders in CREST	as soon as possible after 8.00 a.m. on 11 March 2015
Recommended latest time and date for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 19 March 2015
Latest time and date for depositing Open Offer Entitlements into CREST	3.00 p.m. on 20 March 2015
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 23 March 2015
Latest time and date for receipt of Forms of Proxy and receipt of electronic proxy appointments via the CREST system	10.00 a.m. 24 March 2015
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions	11.00 a.m. 25 March 2015
General Meeting	10.00 a.m. on 26 March 2015

Expected date of announcement of results of the General Meeting and the Capital Raising through the Regulatory Information Service

26 March 2015

Expected date of Admission and commencement of dealings in Capital Raising Shares

8.00 a.m. on 27 March 2015

Capital Raising Shares in uncertificated form expected to be credited to accounts in CREST

27 March 2015

Expected date of despatch of definitive share certificates for Capital Raising Shares in certificated form

by 7 April 2015

The times set out in the expected timetable of principal events above and mentioned throughout this announcement are times in London unless otherwise stated, and may be adjusted by the Company in consultation with or, if required, with the agreement of certain third parties, in which event details of the new times and dates will be notified to the Financial Conduct Authority, the London Stock Exchange and, where appropriate, Shareholders.

Introduction

The Board announces that the Company intends to raise approximately £128.0 million (approximately £124.7 million net of all Capital Raising costs and expenses) in a Capital Raising by way of a Firm Placing and a Placing and Open Offer consisting of the issue of 56,888,888 Capital Raising Shares in aggregate at an issue price of 225.0 pence per Capital Raising Share. 51,111,111 Capital Raising Shares will be issued through the Firm Placing and 5,777,777 Capital Raising Shares will be issued through the Placing and Open Offer.

It is the Board's opinion that the Capital Raising will strengthen the financial position of the Group and enable it both to deploy more capital into new and existing commercialisation opportunities and to take advantage of opportunities to broaden its access to potentially world class IP, both in the UK and internationally. The Board therefore considers the Capital Raising to be in the best interests of IP Group and IP Group Shareholders as a whole and unanimously recommends that IP Group Shareholders vote in favour of the Resolutions.

Shareholders will be asked to approve the Resolutions, details of which are set out within this announcement and in the Prospectus. The General Meeting is being convened for 10.00 a.m. on 26 March 2015 at the Company's offices at 24 Cornhill, London, EC3V 3ND.

Background to and reasons for the Capital Raising

Overview of the Company

IP Group was established in 2000 to commercialise scientific innovation developed in leading research institutions. IP Group's business model is to form, or assist in the formation of, start-up companies based on scientific and technical innovation, to take a significant minority equity stake in these companies and then to grow the value of that equity over time through taking an active role in the development of these companies. IP Group's strategy has been to build significant minority equity stakes across a diversified portfolio of companies designed to achieve strong equity returns over the medium to long term.

In March 2014, IP Group completed the acquisition of Fusion IP plc. This has resulted in a stronger combined team, a larger and more diversified portfolio and greater exposure to new spin-out companies from Fusion IP's university relationships.

An important aspect of IP Group's strategy is its ability to access a wide range of leading scientific research. This has been achieved primarily through long-term partnerships with a number of leading research universities in the UK. IP Group entered into its first long term partnership with the University of Oxford's Chemistry Department in 2000. Since this time, the Group has entered into further partnerships and now has direct arrangements covering fifteen of the UK's leading universities.

In addition to these direct contractual arrangements, IP Group holds a stake in, and has an informal commercialisation alliance with, Technikos LLP, a venture capital fund, specialising in early-stage medical technologies with a long-term commercialisation agreement with the University of Oxford's Institute of Biomedical Engineering. IP Group also has a strategic holding in Cambridge Innovation Capital plc, which supports the growth of innovative businesses located in the "Cambridge Cluster" and is supported by the University of Cambridge's commercialisation office, Cambridge Enterprise. IP Group and Cambridge Innovation Capital have also entered into a memorandum of understanding to share information on investment and co-investment opportunities.

IP Group also has informal arrangements with other universities in the UK and it leverages the capabilities of its in-house sourcing team to identify and pursue compelling standalone opportunities arising from such universities.

The most recent Research Excellence Framework (the "REF"), undertaken in 2014, assessed the quality of research in UK higher education institutions ("HEIs"), replacing the Research Assessments Exercise last

carried out in 2008. One output of the REF was an overall quality profile for each HEI showing the proportion of research activity judged to have met each of four starred quality levels, and generated a measure of research power based on this assessment of research quality and the number of Category A staff at each HEI. IP Group currently has access, either through a direct contractual relationship or its relationship with and stake in Technikos and Cambridge Innovation Capital, to 11 of the top 20 HEIs by this measure. The Directors believe that no other organisation seeking to provide commercialisation services to UK HEIs has as broad a range of access to high quality research in the UK.

IP Group has access to intellectual property emanating from research carried out in the United States through its IP commercialisation agreements with each of Columbia Technology Ventures, the technology transfer office of Columbia University, the University of Pennsylvania and the University of Pennsylvania's Center for Technology Transfer's UPstart company formation programme ("UPstart") and Princeton University. Each agreement has an initial pilot phase of eighteen months and focuses on early stage, proof of principle opportunities based on intellectual property developed at each university

In addition, in November 2014, IP Group launched a commercialisation initiative with FedIMPACT to identify and develop early stage technologies from a select group of US Department of Energy National Laboratories including Pacific Northwest National Laboratory and The National Renewable Energy Laboratory.

As at 31 December 2014, IP Group had a portfolio of 90 companies in which its combined stake was valued at approximately £349.9 million¹. Approximately 73 per cent. of the value in IP Group's portfolio resides within its top ten companies (by value), many of which have made significant progress in the last twelve months towards achieving key milestones and commercial validation. In 2014, IP Group invested a total of £23 million in its top ten companies (by value) representing approximately 49 per cent. of the aggregate annual investment into the portfolio. As at 31 December 2014, the aggregate value of the companies, in which IP Group had an investment, exceeded £1.9 billion².

The Group's portfolio is diverse with exposure to four main sectors – Biotech, Cleantech, Healthcare and Technology.

Reasons for the Capital Raising

The Group has built a platform for the systematic commercialisation of intellectual property which, to date, has been primarily sourced from within UK universities with which the Group has Partnerships.

The Board believes that there is a significant opportunity to accelerate the growth of the Group by increasing its overall rate of investment in both its current portfolio and in new opportunities in the UK and the US, whilst preserving the returns that it has historically been able to achieve. As companies within the Group's portfolio mature, they generally require an increased level of investment, commensurate with their advancing stage of development, in order to achieve their technical, commercial and strategic objectives. The Board considers that, where such companies continue to make progress towards achieving these objectives, there can be advantages for the Group in maintaining significant minority equity stakes in these companies in order to seek to maximise its level of returns.

The Board considers that the Group is in a highly advantageous position to assess the merits of further investments in its post-seed portfolio companies, given its well-established and in-depth understanding of the relevant company in each case. These investment opportunities are typically more mature (in that technology proof of concept has generally been achieved and demonstrated) and additional capital is required to bring the technology to, or towards, commercial validation. The Capital Raising will enable the Group to continue to have flexibility to lead these subsequent investment rounds in both existing and future

¹ Calculated by reference to the values attributed to the Group's investments in such portfolio companies in the Group's unaudited preliminary results for the year ended 31 December 2014

² Calculated by reference to the values attributed to the Group's investments in such portfolio companies in the unaudited preliminary results of the Group for the year ended 31 December 2014 and grossed up to reflect the overall value of such portfolio companies

post-seed companies, decreasing its reliance on external capital and allowing it to maintain significant minority equity stakes with a view to continuing to generate strong equity returns.

The Directors continue to consider that there are attractive opportunities for the Group to deploy its business model internationally and, to this end, in 2013 established a presence on the east coast of the US. The Board believes that this area, and indeed the broader US, represents a rich source of potentially world-class IP which has seen only limited systematic commercialisation efforts to date. For example, a report published in December 2013 by the State University of New York reported that, for the US in 2012, whilst 87 per cent. of academic research funding was focused on the 'hard' sciences (physical and life), only 44 per cent. of venture capital investment was in these areas and, in contrast, whilst only 3 per cent. of academic research funding was in the area of Information Technology, this area attracted 40 per cent. of all venture capital investment. Separately, by comparing the level of R&D spending³ at top US universities⁴ in each State against the corresponding level of VC investment⁵, it is clear that there is a substantial geographic imbalance. For example, California received less than 20 per cent. of the R&D funding provided to top universities nationally across the life sciences, physical sciences and engineering disciplines in 2012, but accounted for 56 per cent. of the venture capital funding in 2014. At the same time, the corresponding figures for Massachusetts were 16 per cent. of R&D funding and 10 per cent. of venture capital investment, for Pennsylvania 9 per cent. of R&D funding and 2 per cent. of venture capital investment, North Carolina 7 per cent. of R&D funding and 1 per cent. of venture capital investment, and Michigan 6 per cent. of R&D funding and less than 1 per cent. of venture capital investment. This is against a backdrop of a level of national university R&D expenditure that has risen during each year from 2008 to 2012. The Directors believe that this mismatch of funding creates an attractive opportunity for IP Group.

Having successfully established initial commercialisation agreements with each of the University of Pennsylvania, Columbia University and Princeton University, all of whom featured in the top 20 of both the Times Higher Education World University Rankings and the QS World University Rankings for 2014/15, the Group announced the formation of its first US university spin-out company in December 2014. The Directors believe that the increased strength of the Group's balance sheet, following completion of the Capital Raising, will enable IP Group to continue to build upon and strengthen the relationships with these universities, FedIMPACT and the DOE Laboratories in order to deploy capital into commercialisation opportunities based on potentially world class intellectual property arising from the same, and to further establish its reputation in the US market place.

The Group will continue to seek to identify compelling IP-based opportunities arising from its current UK Partnerships and its current agreements and initiatives within the US. In addition, the Group may source further opportunities from, or with, other research intensive institutions both in the UK and the US. Consistent with its belief in a partnership approach to the sourcing of intellectual property commercialisation opportunities, the Group will also continue to explore other relationships or collaborations that seek to enable or preserve access to research emanating from premier UK- and US-based universities in such a manner that allows it to manage its capital risk, such as through participation in university captive funds, whether structured as special purpose vehicles or otherwise.

The Directors believe that the increased strength of its balance sheet, following completion of the Capital Raising, will also enhance the Group's ability to: attract new early stage commercialisation opportunities from, and collaborations with, research intensive institutions both in the UK and the US; attract and retain high quality talent within the Group; and attract experienced management teams and co-investment partners, as appropriate, into portfolio companies as they develop.

The Board has given careful consideration to the structure of the proposed fundraising and has concluded that the most appropriate structure for the Company and its Shareholders at this time is the Capital Raising,

³ As measured by the National Science Foundation Higher Education Research and Development Survey 2012

⁴ Classified as those ranking in the top 100 in the 2014/15 Times Higher Education World University Rankings

⁵ As measured by the PriceWaterhouseCoopers / National Venture Capital Association MoneyTree™ Report accessed on 29 January 2015

comprising the Firm Placing to raise gross proceeds of £115.0 million and the Placing and Open Offer to raise gross proceeds of £13.0 million. Shareholders holding in aggregate approximately 85.4 per cent of the Existing Shares have been approached and given the opportunity to participate in the Firm Placing. The Open Offer provides an opportunity for Qualifying Shareholders to participate in the fundraising by both subscribing for their respective Open Offer Entitlements and by subscribing for Excess Shares under the Excess Application Facility. The Open Offer constitutes approximately 10.2 per cent of the maximum number of Capital Raising Shares made available pursuant to the Capital Raising. The Board considers the Open Offer to be primarily of benefit to those smaller Shareholders who have not been approached to participate in the Firm Placing. Shareholders, including those who have agreed to take up Firm Placed Shares and subscribe for Placing Shares (and who together hold 80.3 per cent of the Existing Shares as at 9 March 2015 (being the latest practicable date prior to the publication of this document)) have agreed not to apply for any of their Open Offer Entitlements or for any Excess Shares through the Excess Application Facility. Accordingly, the Board expects that a substantial proportion of the Open Offer Shares will be available to satisfy applications under the Excess Application Facility, should the Directors exercise their discretion to claw back Open Offer Shares, which have been placed with Non-Firm Placees under the Placing. The allocation of Excess Shares is to be determined by the Board in its absolute discretion. In determining such allocation, the Board intends to favour Qualifying Shareholders who validly apply under the Excess Application Facility and who have not been given the opportunity to participate in the Firm Placing. However, no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all.

Use of Proceeds

The Board currently anticipates that it will utilise the net proceeds of the Capital Raising as follows: (i) approximately 75 per cent., in continuing to increase investment into the Group's IP commercialisation business (both in the UK and the US); (ii) approximately 12.5 per cent., in continuing to expand its access to and provide capital to enable the development of technology from its partner universities and other research intensive institutions; and (iii) approximately 12.5 per cent., to provide capital to fund the growth of the Group's US business. In addition, it is possible that some of the proceeds may be used to expand the Group's fund management operations should the opportunity arise and be deemed by the Directors to be in the Group's best interests (although no such opportunity has been identified as at the date of the Prospectus).

The Capital Raising is conditional upon Shareholders passing the Resolutions at the General Meeting.

Current trading and prospects

Portfolio and cash update⁶

At 31 December 2014, the Group's portfolio consisted of holdings in 90 companies compared to 72 at 31 December 2013. The portfolio was valued at approximately £349.9 million (2013: £285.9 million), representing a net unrealised fair value increase for the year of approximately £20.7 million excluding investments and realisations described in the Company's annual results.

During the year to 31 December 2014, the Group provided pre-seed, seed and post-seed capital totalling approximately £46.8 million to its portfolio companies. The Group generated cash proceeds from the sale of equity investments of approximately £9.7 million (2013: £5.5 million). Cash, cash equivalents and deposits at 31 December 2014 totalled approximately £97.3 million (2013: £24.1 million).

Outlook

2014 was a transformational year of growth for IP Group with the acquisition of Fusion in March 2014 creating a Group with an enlarged specialised team and a greater breadth of coverage. Whilst the macroeconomic environment improved in the UK and the US, the AIM market (where approximately 40 per cent. of the Group's portfolio companies are quoted) lost 17.5 per cent. of its value. When considered

⁶ Portfolio and cash information is extracted from the Group's unaudited preliminary results for the year ended 31 December 2014 which are announced separately today

against this backdrop, the Group's financial performance was satisfactory, although much lower when compared with 2013. For the Group's portfolio companies, 2014 was, in the main, an encouraging year with a number continuing to grow their businesses, raise additional growth capital for development and achieve both technical and commercial milestones. During 2014, the Group continued to and will, going forward continue to explore opportunities to expand its access to leading scientific innovation by broadening and deepening its arrangements with its existing university partners and other research intensive institutions and entering into collaborations with new partners, both in the UK and the US. Such arrangements are expected to continue to provide the Group with opportunities to invest in early stage projects and companies based on scientific and technical innovation. The Board is confident that this flow of opportunities, coupled with the Group's ability to continue to increase the capital deployed into its portfolio companies as a result of the Capital Raising, will continue to drive the Group's growth. These factors give the Board confidence that the Group is well placed to continue to deliver medium to long-term value for Shareholders.

Principal Terms of the Capital Raising

IP Group is proposing to raise gross proceeds of approximately £128.0 million (approximately £124.7 million net of expenses) by the issue of 56,888,888 Capital Raising Shares by way of the Firm Placing and the Placing and Open Offer at 225.0 pence per share. 51,111,111 Capital Raising Shares will be issued through the Firm Placing and 5,777,777 Capital Raising Shares will be issued through the Placing and Open Offer.

The Board considers the Firm Placing and the Placing and Open Offer to be a suitable fundraising structure as it will allow access to a variety of new institutional investors to broaden the Company's shareholder base whilst providing existing Shareholders with the opportunity to participate in the fundraising, to an extent, through the Open Offer.

Qualifying Shareholders are being offered the right to subscribe for Open Offer Shares in accordance with the terms of the Open Offer. The Open Offer Shares have been conditionally placed with Non-Firm Placees pursuant to the Placing and are subject to clawback to satisfy valid applications under the Open Offer and the Excess Application Facility. Qualifying Shareholders are not being offered the right to subscribe for the Firm Placed Shares. Qualifying Shareholders applying for their Open Offer Entitlements may also apply, under the Excess Application Facility, for Excess Shares in excess of their Open Offer Entitlements as described below.

All elements of the Capital Raising have the same Issue Price. The Issue Price was set having regard to the prevailing market conditions and the size of the Issue and represents a discount of approximately 6.6 per cent. to the Closing Price of 240.9 pence per Share on 9 March 2015 (being the last Business Day before the announcement of the Capital Raising). The Board believes that both the Issue Price and the discount are appropriate.

The Capital Raising Shares, when issued and fully paid, will rank in full for all dividends or distributions made, paid or declared after Admission and otherwise *pari passu* in all respects with the Existing Shares. 56,888,888 Capital Raising Shares are to be issued pursuant to the Capital Raising (representing 11.9 per cent. of the existing issued share capital).

Some questions and answers in relation to the Open Offer, together with details of further terms and conditions of the Open Offer, including the procedure for application and payment and the procedure in respect of entitlements not taken up, will be set out in the Prospectus and, where relevant, are set out in the Application Form.

Firm Placing

The Firm Placees have conditionally agreed to subscribe for 51,111,111 Capital Raising Shares in aggregate at the Issue Price (representing gross proceeds of approximately £115.0 million). The Firm Placed Shares are not subject to clawback to satisfy the valid applications by Qualifying Shareholders under the Open

Offer and are not part of the Placing and Open Offer. The Firm Placing is expected to raise £115.0 million before expenses. The terms and conditions of the Firm Placing and the Placing and the Open Offer will be set out in the Prospectus.

Open Offer

The Directors recognise the importance of pre-emption rights to Shareholders and consequently 5,777,777 Capital Raising Shares are being offered to existing Shareholders by way of the Open Offer. The Open Offer provides an opportunity for Qualifying Shareholders to participate in the Capital Raising by both subscribing for their respective Open Offer Entitlements and by subscribing for Excess Shares under the Excess Application Facility, subject to availability.

The Open Offer Shares have been conditionally placed with Non-Firm Placees pursuant to the Placing and are subject to clawback to satisfy valid applications under the Open Offer and, if the Directors determine, the Excess Application Facility.

Shareholders, including those who have agreed to take up Firm Placed Shares and subscribe for Placing Shares (and who together hold 80.3 per cent. of the Existing Shares at 9 March 2015) have agreed not to apply for Open Offer Shares. To the extent that valid applications are not received in respect of Open Offer Shares under the Open Offer, such Open Offer Shares may be allocated to Qualifying Shareholders to meet any valid applications under the Excess Application Facility.

Open Offer Entitlements

Qualifying Shareholders are being offered the opportunity on, and subject to, the terms and conditions of the Open Offer to apply for Open Offer Shares at the Issue Price, *pro rata* to their holdings of Shares on the Record Date on the basis of:

1.2049 Open Offer Shares for every 100 Record Date Shares

Open Offer Entitlements under the Open Offer will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will not be allocated but will be aggregated and made available under the Excess Application Facility and/or the Placing.

If Shareholders have sold or otherwise transferred all of their Existing Ordinary Shares before the ex-entitlement date, they are not entitled to participate in the Open Offer.

Qualifying Shareholders are also being offered the opportunity to subscribe for Excess Shares in excess of their Open Offer Entitlements pursuant to the Excess Application Facility as described below.

Excess Application Facility

Qualifying Shareholders may apply to subscribe for Excess Shares using the Excess Application Facility, should they wish. Qualifying Non-CREST Shareholders wishing to apply to subscribe for Excess Shares may do so by completing the relevant sections on the Application Form. Qualifying CREST Shareholders, who wish to apply to subscribe for more than their Open Offer Entitlements, will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to the Prospectus for information on how to apply for Excess Shares pursuant to the Excess Application Facility.

The Excess Application Facility will comprise Open Offer Shares that are not taken up by Qualifying Shareholders under the Open Offer pursuant to their Open Offer Entitlements and which have been clawed back from Non-Firm Placees.

The maximum amount of Capital Raising Shares to be issued under the Excess Application Facility (the "Maximum Excess Application Number") will be limited to: (a) the maximum size of the Issue; less (b) the aggregate of the Firm Placed Shares, the Capital Raising Shares issued under the Open Offer pursuant to Qualifying Shareholders' Open Offer Entitlements and any Capital Raising Shares that the Directors determine to issue under the Placing. Excess Applications will therefore only be satisfied to the extent that: (a) other Qualifying Shareholders do not apply for their Open Offer Entitlements in full; (b) where fractional

entitlements have been aggregated and made available under the Excess Application Facility; (c) the Directors exercise their discretion to claw back Capital Raising Shares from the Placing to satisfy valid applications under the Excess Application Facility. Qualifying Shareholders can apply for up to the Maximum Excess Application Number of Capital Raising Shares under the Excess Application Facility, although if applications exceed the maximum number available, the applications will be scaled back. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

Placing

Pursuant to the Placing Agreement, Non-Firm Placees have conditionally agreed to subscribe for the Open Offer Shares. Such Open Offer Shares are subject to clawback to satisfy valid applications received from Qualifying Shareholders under the Open Offer and the Excess Application Facility. The terms and conditions of the Placing will be contained in the Prospectus.

Dilution

If a Qualifying Shareholder does not take up his Open Offer Entitlement, such Qualifying Shareholder's holding will be diluted by up to approximately 10.6 per cent. as a result of the Capital Raising (assuming the gross proceeds of the Capital Raising are approximately £128.0 million and that such Qualifying Shareholder is not a Placee). Furthermore, a Qualifying Shareholder who takes up his Open Offer Entitlement in respect of the Open Offer (and does not receive any other Capital Raising Shares pursuant to the Capital Raising including in the Excess Application Facility) will suffer dilution of approximately 9.5 per cent to his shareholding in the Company as a result of the Firm Placing.

Fractions

Fractions of Open Offer Shares will not be allocated to Qualifying Shareholders in the Open Offer and fractional entitlements under the Open Offer will be aggregated and made available under the Excess Application Facility and/or the Placing.

Basis of allocation under the Capital Raising

The Open Offer is being made on a pre-emptive basis to Qualifying Shareholders and is not subject to scaling back or clawback in favour of the Placing. Any Capital Raising Shares that are available under the Open Offer and are not taken up by Qualifying Shareholders, pursuant to their Open Offer Entitlements and under the Excess Application Facility, will be subscribed by Non-Firm Placees under the Placing, subject to the terms of the Placing Agreement.

Conditionality

The Capital Raising is conditional upon:

- the passing of the Resolutions without amendment to be proposed at the General Meeting to be held on 26 March 2015;
- the Placing Agreement having become unconditional in all respects save for the condition relating to Admission and not being terminated in accordance with its terms before Admission occurs; and
- Admission occurring by not later than 8.00 a.m. on 27 March 2015 (or such later time and date as the Company and certain third parties may determine, not being later than 8.00 a.m. on 7 April 2015).

Prior to Admission, the Placing Agreement may be terminated in certain defined circumstances. Following Admission, the Placing Agreement cannot be terminated.

If the conditions of the Placing Agreement are not fulfilled on or before 8.00 a.m. on 7 April 2015, application monies will be returned to applicants (at the applicant's risk) without interest as soon as possible thereafter.

The Capital Raising is conditional upon Shareholders passing the Resolutions at the General Meeting.

General meeting

A General Meeting is to be held at the offices of IP Group on 26 March 2015 at 10.00 am. The full text of the Notice of General Meeting will be set out in the Prospectus.

At the General Meeting, the Resolutions will be proposed to:

- approve the Capital Raising;
- approve the allotment of Capital Raising Shares in connection with the Capital Raising; and
- disapply statutory pre-emption rights in relation to the allotment of equity securities for the purpose of the Firm Placing and the Placing and Open Offer, pursuant to section 570 of the Companies Act.

Recommendation

The Board considers the Capital Raising and the passing of each of the Resolutions to be in the best interests of the Company and the Shareholders as a whole.

Accordingly, the Board unanimously recommends that Shareholders vote in favour of each of the Resolutions to be put to the General Meeting as they intend to do, or procure, in respect of their own beneficial holding, amounting in aggregate to 4,547,434 Existing Shares, representing approximately 0.95 per cent of the Existing Shares.

It is anticipated that a Prospectus providing further details of the Firm Placing and Placing and Open Offer and convening the General Meeting will be published shortly and posted to Shareholders. Copies of the Prospectus will be available from the registered office of IP Group at 24 Cornhill, London, EC3V 3ND. The Prospectus will also be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) from the date of its publication until Capital Raising Admission at the offices of Pinsent Masons LLP, 30 Crown Place, London EC2A 4ES.

APPENDIX

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

Admission	the admission of the Capital Raising Shares (i) to the premium segment of the Official List and (ii) to trading on the London Stock Exchange's main market for listed securities, becoming effective in accordance, respectively, with LR 3.2.7G of the Listing Rules and paragraph 2.1 of the Admission and Disclosure Standards
Admission and Disclosure Standards	the requirements contained in the publication "Admission and Disclosure Standards" containing, amongst other things, the admission requirements to be observed by companies seeking admission to trading on the London Stock Exchange's main market for listed securities
AIM	the market of that name operated by the London Stock Exchange
Application Form	the personalised application form accompanying the Prospectus on which Qualifying Non-CREST Shareholders may apply for Open Offer Shares under the Open Offer
Board or Directors	the board of directors of the Company
Business Day	any day (excluding Saturdays, Sundays and public holidays) on which banks are open in London for the transaction of normal banking business
Capital Raising	the Firm Placing and the Placing and Open Offer
Capital Raising Shares	the Firm Placed Shares, the Placing Shares and the Open Offer Shares to be allotted and issued by IP Group pursuant to the Capital Raising
certificated or in certificated form	a share or security which is not in uncertificated form
Companies Act	the Companies Act 2006, as amended
Company or IP Group	IP Group plc, a company incorporated in England and Wales with registered number 04204490
CREST	the relevant system, as defined in the CREST Regulations, for the holding of shares in uncertificated form in respect of which Euroclear is the operator (as defined in the CREST Regulations)
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3775), as amended

Daily Official List	the daily record setting out the prices of all trades in shares and other securities conducted on the London Stock Exchange
Disclosure and Transparency Rules	the rules relating to the disclosure of information made in accordance with section 73A(3) of the FSMA, as amended from time to time
Euroclear	Euroclear & Ireland Limited, the operator of CREST
Excess Application Facility	the arrangement pursuant to which Qualifying Shareholders may apply for Open Offer Shares in excess of their Open Offer Entitlement provided they have agreed to take up their Open Offer Entitlement in full
Excess CREST Open Offer Entitlements	in respect of each Qualifying CREST Shareholder, the entitlement (in addition to his Open Offer Entitlement) to apply for Excess Shares credited to his stock account in CREST, pursuant to the Excess Application Facility, which is conditional on such Qualifying CREST Shareholder agreeing to take up its Open Offer Entitlement in full
Excess Shares	the Open Offer Shares for which Qualifying Shareholders may apply under the Excess Application Facility
Excluded Territory or Excluded Territories	Australia, Canada, Japan, New Zealand, the Republic of South Africa and the United States
Existing Shares	the Shares in issue as at the date of this document
Financial Conduct Authority or FCA	the Financial Conduct Authority of the United Kingdom
Firm Placees	any persons who have agreed to subscribe for Firm Placed Shares pursuant to the Firm Placing
Firm Placed Shares	the 51,111,111 new Shares to be allotted and issued by the Company pursuant to the Firm Placing
Firm Placing	the conditional placing of the Firm Placed Shares pursuant to the Placing Agreement
Form of Proxy	the form of proxy accompanying the prospectus for use by Shareholders in relation to the General Meeting
FSMA	the Financial Services and Markets Act 2000, as amended
General Meeting or IP Group General Meeting	the general meeting of IP Group to be held at 10.00am on 26 March 2015, notice of which will be set out in the Prospectus
IAS	International Accounting Standards

IP	means any and all patents, trade marks, rights in designs, get-up trade, business or domain names, copyrights, and topography rights, (whether registered or not and any applications to register or rights to apply for registration of any of the foregoing), rights in inventions, know-how, trade secrets and other confidential information, rights in databases and all other intellectual property rights of a similar or corresponding character which may now or in the future subsist in any part of the world
Issue	the issue of Capital Raising Shares pursuant to the Capital Raising
Issue Price	225 pence per New Share
Listing Rules	the listing rules made by the FCA under Part VI of FSMA, as amended from time to time
London Stock Exchange	London Stock Exchange plc
Non-Firm Placees	any persons who have agreed or shall agree to subscribe for Placing Shares pursuant to the Placing
Notice of General Meeting	the notice of the General Meeting contained in Part VIII of the Prospectus
Official List	the Official List of the Financial Conduct Authority pursuant to Part VI of FSMA
Open Offer	the offer to Qualifying Shareholders, constituting an invitation to apply for the Open Offer Shares, including pursuant to the Excess Application Facility, on the terms and subject to the conditions set out in the Prospectus and in the case of Qualifying Non-CREST Shareholders, in the Application Form
Open Offer Entitlement	the <i>pro rata</i> entitlement of Qualifying Shareholders on the Record Date to apply for Open Offer Shares pursuant to the Open Offer
Open Offer Shares	the 5,777,777 Capital Raising Shares to be offered to Qualifying Shareholders under the Open Offer
Placed Shares	the Firm Placed Shares and those Placing Shares allotted by the Company to Non-Firm Placees pursuant to the Placing
Placees	the Firm Placees and the Non-Firm Placees
Placing	the conditional subscription by the Non-Firm Placees for the Placing Shares which is subject to clawback to satisfy valid applications from Qualifying Shareholders under the Open Offer and the Excess Application Facility

Placing Agreement	the placing agreement dated 10 March 2015, further details of which are set out in the Prospectus
Placing Shares	the new Shares to be allotted and issued by the Company to Non-Firm Placees pursuant to the Placing as the same may be increased or decreased at the discretion of the Directors as set out in the Prospectus
Pounds Sterling or £	the lawful currency of the United Kingdom
Prospectus	the document to be dated 10 March 2015 comprising a combined prospectus and notice of general meeting
Prospectus Rules	the Prospectus Rules of the UK Listing Authority made in accordance with Section 73A of FSMA, as amended from time to time
Qualifying CREST Shareholders	Qualifying Shareholders holding Shares in uncertificated form in CREST
Qualifying Non-CREST Shareholders	Qualifying Shareholders holding Shares in certificated form
Qualifying Shareholders	Shareholders on the register of members of the Company at the Record Date with the exclusion (subject to certain exceptions) of persons with a registered address or located or resident in the US or an Excluded Territory
Record Date	5.00 p.m. on 9 March 2015
Regulatory Information Service	one of the regulatory information services authorised by the UK Listing Authority to receive, process and disseminate regulatory information in respect of listed companies
Resolutions	the resolutions to be proposed at the General Meeting (to be set out in the Notice of General Meeting) being (1) an ordinary resolution to approve the Capital Raising, (2) an ordinary resolution to authorise the Directors to allot Capital Raising Shares pursuant to the Capital Raising and (3) a special resolution to disapply statutory pre-emption rights in relation to the allotment of equity securities pursuant to the Capital Raising
Shareholder	holders of Shares
Share	an ordinary shares of 2 pence in the capital of the Company
stock account	an account within a member account in CREST in which a holding of a particular share or other security in CREST is admitted

**uncertificated or in
uncertificated form**

a share recorded on the Company's register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST

United Kingdom or UK

the United Kingdom of Great Britain and Northern Ireland

US Securities Act

the United States Securities Act of 1933, as amended, and related rules

United States or US

the United States of America, its territories and possessions, any state of the United States and the District of Columbia.