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AIM: FIPP
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Frontier IP Group plc
("Frontier IP" or the "Group")

UNAUDITED HALF-YEAR RESULTS FOR THE SIX MONTHS TO 31 DECEMBER 2023

Frontier IP, a specialist in commercialising intellectual property, is pleased to announce its unaudited interim results for the six month period ended 31 December 2023.

KEY POINTS

- Pre-tax profit of £1.4 million (31 December 2022: pre-tax loss of £0.5 million)
- Basic earnings per share of 2.67p (31 December 2022: 0.49p)
- Net assets per share of 84.2p as at 31 December 2023 (30 June 2023: 81.8p; 31 December 2022: 88.2p)
- Unrealised profit on the revaluation of investments increased to £2.8 million (31 December 2022: unrealised profit of £0.4 million)
- Fair value of the equity portfolio increased by c.6 per cent to £35.1 million at 31 December 2023 (30 June 2023: £33.0 million; 31 December 2022: £36.1 million) reflecting disposals of £0.8 million, additions of £0.1 million and fair value increases of £2.8 million
- Part disposal of holding in Exscientia generated cash of £0.8 million in the period under review (30 June 2023: £4.9 million; 31 December 2022: £3.4 million)
- Cash balances of £2.7 million at 31 December 2023 (30 June 2023: £4.6 million; 31 December 2022: £5.8 million)
- Significant commercial and technical progress across the portfolio

Frontier IP enjoyed a good first half of the financial year, overcoming difficult market and economic conditions to return to profitability. Basic earnings per share rose, reflecting an increase in the fair value of the equity portfolio.

Several portfolio companies achieved important commercial, technical and financial developments both during the six-month period under review and post the period close; bringing closer the opportunity for potential exits within the portfolio. Significant experience was recruited to strengthen boards of directors and management teams, companies raised funds and it was announced that one new spin-out company had joined the portfolio.

Frontier IP also announced changes to the Group's Board of Directors. Dame Julia King, Baroness Brown of Cambridge, DBE FREng, FRS, FMedSci, became independent Non-Executive Chair at the annual general meeting in December. She replaced Andrew Richmond, who stepped down from the Board of Directors after 11 years of service. Julia brings a very wide range of experience to the board and chairs the House of Lords Science and Technology Committee. The Company also announced in November 2023 that Jim Fish is to step down as Chief Financial Officer no later than the end of May 2024.

PORTFOLIO AND OPERATIONAL HIGHLIGHTS

The six months to 31 December 2023 saw companies across the portfolio either achieve or make strong progress towards meeting commercial, technical and funding goals. Developments included:

- Pulsiv appointed Dr Mark Gerhard as Chairman and Dr Tim Moore as Chief Product Officer. Mark is a serial entrepreneur and technology pioneer with a long history of growing and exiting businesses. Tim joined the company full time from his role as Chief Technology Officer for SharkNinja, a Nasdaq-listed consumer electronics group. Post period end, the company announced plans to launch a highly efficient 65W USB C for adapters, chargers and in-wall sockets
- Alusid raised £500,000 through equity funding from Octopus Investments via the Octopus AIM VCT plc and Octopus AIM VCT 2 plc funds as part of wider funding round raising £1.13 million from existing and new investors. The company is exploring options for an initial public offering
- One company joined the portfolio. Deakin Bio-Hybrid Materials ("DeakinBio") makes sustainable materials from natural materials such as organic waste and inorganic powders. Initial applications provide alternatives to traditional ceramic tiles. Frontier IP took a 33.3 per cent equity stake in the company
- CamGraPhIC put in place a new loan facility to provide funding of up to £1.5 million to support progress. The company has since strengthened existing industry relationships, developed new partnerships and is actively seeking to raise further funds
- Fieldwork Robotics completed a fundraising of £2.1m with Elbow Beach Capital investing £1.5 million and the remainder being procured from Seedrs and existing shareholders. They also won a UK government grant and appointed David Fulton as the new Chief Executive Officer
- GraphEnergyTech was selected as part of the Swiss National Start-up Team as one of the 10 most promising Swiss start-ups. Strengthened team with two expert hires, one post period end
- The Vaccine Group created an Advisory Board to support scale up of its novel herpesvirus-based vaccine platform. This board consists of three high-ranking veterinary experts with strong business experience and connections to major companies and other organisations in the animal health sector

- Nandi Proteins signed a commercial license with a leading global food ingredients business who will take Nandi's meat/fat replacer to market worldwide
- Jim Fish is to step down as Chief Financial Officer by the end of May 2024 after 10 years of service. Following the appointment of a new Group CFO and his resignation from the Board, Jim will take up a new position in the Group as Portfolio Finance Director to support portfolio companies. Discussions on the appointment of a new Group CFO are at an advanced stage and we anticipate a successor will be announced shortly

Post period end:

- The Group sold the remaining 324,991 American Depositary Shares in Exscientia plc for net proceeds of approximately £1.7 million. In total, the Group sold 1,564,800 Exscientia ADSs between 10 January 2022 and 29 February 2024 for net proceeds of approximately £14.0 million. The original cost for these shares was less than £2,000

Chief Executive Neil Crabb said: *"I was delighted to see us return to profitability during the first half of the year. The improved performance comes in the teeth of the cold gales created by the prevailing market, economic and geopolitical conditions, and reflects the solid progress made across the portfolio during the period and beyond. Alusid, CamGraPhIC, Fieldwork Robotics, Nandi Proteins, Pulsiv and The Vaccine Group are among the companies picking up pace as they stride towards commercial viability and futures replete with success.*

After the period end, we sold our remaining stake in Exscientia. Exscientia has been an excellent exemplar of our business model, based on founding equity in companies originating from universities with world leading technology, realising that equity as its value builds and becomes clearer. We realised a total of approximately £14 million in Exscientia and we look forward to demonstrating further success with companies in the current portfolio.

Alusid recently took investment from Octopus Investments via two AIM VCT funds, as it progresses plans on its proposed initial public offering.

To win the support of one of Europe's leading venture funds validates Alusid's green technology, its capital efficient business model and its potential for growth. Alusid is exploring international opportunities in northern Europe to build on the success it has enjoyed in the UK with Topps Tiles and further afield with Starbucks EMEA. On the new product front, work on the floor tiles is developing well and Alusid is experimenting with glazes made from recycled materials. This would take the recycled content of its tiles from more than 90 per cent to close to 100 per cent.

Other companies are also beginning to gain significant industrial traction. Nandi Proteins achieved a commercial breakthrough, signing an agreement to provide its meat and fat replacement ingredients to a major manufacturer. The company is also involved in promising talks about its egg white replacers – ideal for companies looking to make vegetarian products vegan friendly. I am also excited by the

possibilities for a methylcellulose replacer Nandi is currently developing. Methylcellulose is a synthetic compound widely used as an emulsifier in highly processed foods and as a bulk-forming laxative.

As companies mature, prove their technology, and build the industry engagement needed to prosper, it is important they have the right management teams, directors, and advisers in place. Pulsiv has scaled its technology, established a global distribution network, and is in discussions with potential customers. Therefore, I was delighted to see Mark Gerhard and Tim Moore appointed respectively as Chairman and Chief Product Officer during the period.

Mark is a serial entrepreneur and technology pioneer with substantial experience of growing and exiting businesses. Most famously, he was CEO of Jagex, the developer of Runescape, when it was sold for \$250 million in 2010. Tim has extensive experience developing innovative products, and was Chief Technology Officer of SharkNinja and ghd, both global consumer technology brands.

The Vaccine Group is another now moving forward to commercialisation having built up a strong pipeline of vaccine candidates. To help through the next stage, it has appointed an Advisory Board of three high-ranking experts with exceptional business experience and industry connections. They include a senior figure in Merck Life Sciences, an advisor to Kela Pharma and board director for GALVmed, and a former senior manager at Zoetis. To attract such candidates to the TVG Advisory Board shows the high quality of the company's technology.

A new Chief Executive joined Fieldwork Robotics during the period. David Fulton has more than 30 years' experience in business, and the company now aims to have more than 100 robots available for harvesting as a service by 2025.

I would also draw attention to CamGraPhIC, whose graphene photonics technology has the potential to revolutionise data and telecommunications. The company is now attracting serious interest and the Board are excited by its future prospects.

As one company, Exscientia, leaves the portfolio, so another one joins. It is important to maintain our pipeline of new portfolio companies, so it was good to see Deakin Bio-Hybrid Materials joining the Frontier family. The company is developing new and advanced materials based on organic waste and inorganic powders, with initial applications aimed at replacing ceramics. It's a good demonstration of our clusters approach, with clear affinities to Alusid and others in our Materials cluster; with its use of organic waste, such as chickpea broth, it is also able to call on expertise and contacts within our Food and Agritech cluster.

I am optimistic there will be many other companies to follow Exscientia and to provide us with successful exits. Our business model is of course based on delivering such exits. It is important we deliver one to fund any unplanned investments in our portfolio companies and cover operating expenditure beyond the next 12 months. Our portfolio is addressing some of the major challenges we face today, from food and energy to climate and water. We are a deep technology commercialisation company. This means progress can take time – maybe a decade or more – as research is validated, scaled up and then commercialised before realisation is possible. It is not an easy process: problems arise and must be solved. But this only raises the barriers to entry for anyone looking to follow. Although not all our companies might prove successful, our model does, I believe, maximise our chances of success.

Finally, I would like to thank Jim Fish who, as previously announced, is stepping down as Chief Financial Officer after 10 years on our Board of Directors. Jim has played a crucial role in building Frontier IP as we have grown. Although he is stepping down from the Board, he will remain involved in a new role supporting our portfolio companies, and so we will be working together for a while yet.

Despite the difficult market conditions we are facing, we remain confident about our business and its prospects.”

ENQUIRIES

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ABOUT FRONTIER IP

Frontier IP unites science and commerce by identifying strong intellectual property and accelerating its development through a range of commercialisation services. A critical part of the Group's work is involving relevant industry partners at an early stage of development to ensure technology meets real world demands and needs.

The Group looks to build and grow a portfolio of equity stakes and licence income by taking an active involvement in spin-out companies, including support for fund raising and collaboration with relevant industry partners at an early stage of development.

INTERIM MANAGEMENT STATEMENT

SUMMARY

Frontier IP made strong progress during the period and post period close in developing portfolio companies and creating value for shareholders by:

- Supporting Alusid as the company started exploring options for an initial public offering. During the period, Alusid attracted a £500,000 investment from Octopus Investments as part of a larger funding round.
- Strengthening the board of directors with Dame Julia King, Baroness Brown of Cambridge, DBE, FREng FRS FMedSci assuming the role as Chair of Frontier IP having previously been the senior independent non-executive on the board.
- Helping portfolio companies strengthen their boards of directors and management teams.
- Bringing one new company into the portfolio, Deakin Bio-Hybrid Materials.
- Post period end, the Group raised £1.7 million by selling its remaining equity stake in Exscientia.

OPERATIONAL REVIEW

The Group and its portfolio companies made good commercial and technical progress during the half year to 31 December 2023. Our portfolio is maturing and several companies are moving closer to the stage where they could provide a potential exit for the Group. We further developed our relationships with university, government and industry partners. Further positive newsflow is expected in the coming months as the portfolio continues to mature.

Portfolio developments included:

CamGraPhIC: Frontier IP stake 20.8 per cent

CamGraPhIC is developing ground-breaking graphene-based photonics for scalable, faster and cheaper optical transceivers, devices at the heart of high-speed data and telecommunication networks. Partners include leading multinationals from the telecoms and semiconductor sectors. They believe the company's technology could prove an important enabler for the 5G and 6G telecoms networks of the future and for advanced computing applications. There is also potential for uses in other sectors. Current versions of the technology have achieved speeds about twice that of equivalent technologies, and they consume 70 per cent less energy. During the period, CamGraPhIC announced it had put in place a new loan facility to provide funding of up to £1.5 million to support progress. The company is attracting serious commercial interest from organisations across multiple sectors and is exploring its funding options.

Fieldwork Robotics: Frontier IP stake 19.2 per cent

Fieldwork Robotics has developed advanced AI-supported harvesting robots, initially focused on soft fruits, such as raspberries, to help solve the problem of worker shortages, increase farm efficiency and reduce food wastage. During the period, the company completed a fundraising of £2.1 million with Elbow Beach Capital investing £1.5 million and the remainder being procured from Seedrs and existing shareholders. It also appointed a new Chief Executive Officer, David Fulton.

GraphEnergyTech: Frontier IP stake 30.4 per cent

GraphEnergyTech is developing advanced high-conductivity graphene inks. Initial applications are to create graphene electrodes to replace expensive silver electrodes in solar cells. Silver is the most commonly used material for solar cell electrodes, but the rising popularity of solar power means global reserves could be exhausted by 2050, according to research from the University of New South Wales, Australia. The company was incorporated in the UK during the first half of the last financial year with operations in Switzerland and was co-founded by Professor Michael Grätzel of the Ecole Polytechnique Federale de Lausanne. He is one of the world's most cited academics. Since incorporation, the company was selected during the period to represent the Swiss National Start-up Team in the 4YFN section of the Mobile World congress in Barcelona. This means the company is one of 10 most promising start-ups in Switzerland. It has also recruited its first two employees: a graphene manufacturing specialist in the UK during the period, and, post period end, a materials deposition expert in Lausanne.

Pulsiv: Frontier IP stake 18.2 per cent

Pulsiv's technology significantly improves the energy efficiency of power supplies, battery chargers and LED lighting, cutting energy consumption and customer bills. The technology also extracts more energy from photovoltaic solar cells. Because it uses fewer components, it can be incorporated into more compact designs and is cost effective for manufacturers. Commercial traction is strong and growing: the company is in advanced discussions with major manufacturers and has put in place a global distribution network. During the period, serial entrepreneur and technology pioneer Dr Mark Gerhard joined as chairman and Dr Tim Moore full time as Chief Product Officer. Mark has extensive experience growing and exiting businesses in the video games, artificial intelligence and cyber security sectors. They include Jagex, developer of Runescape, which was sold for \$250 million when Mark was Chief Executive Officer. Tim, a Pulsiv non-executive director, joined full time as Chief Product Officer from his post as Chief Technology Officer for Nasdaq-listed consumer electronics group SharkNinja. Post period end the company announced plans to launch a 65W USB C for adapters, chargers and wall sockets able to operate at 95 per cent efficiency.

The Vaccine Group: Frontier IP stake 17 per cent

The Vaccine Group is developing a novel herpesvirus-based vaccine technology able to form a platform for a wide range of vaccines targeted at diseases in livestock and companion animals. The company has developed a strong vaccine pipeline: diseases targeted include porcine reproductive and respiratory syndrome, streptococcus suis, African swine fever and bovine tuberculosis. During the period, TVG created an Advisory Board to support scale up. The three high-ranking members have extensive veterinarian and industry expertise and networks. They are: Christophe Barnier-Quer,

who works for Merck Life Sciences in a senior role; Johan Dreesen, a member of the Advisory Council to Kela Pharma and GALVmed board member; and Vaughn Kubiak, who brings 40 years' experience in global animal health.

Nandi: Frontier IP stake 19.8 per cent

Nandi's protein technology transforms commodity proteins into functional food ingredients. The company signed a commercial agreement with a global food ingredients company who will manufacture and take to market Nandi's first commercial ingredients once scale up and final application tests have been completed successfully. The ingredients are collagen-based meat and fat replacers for use in processed meat products, such as sausages and burgers, reducing calories and cost. The company is also advanced in developing a second product, a vegetable protein-based egg white replacer that has been successfully tested in a range of applications including meringues, alternative meat products and multiple bakery products. Other products include vegetable proteins to replace methylcellulose, a widely used binder in plant-based meat, and whey proteins to replace chemical emulsifiers in baked products.

Alusid: Frontier IP stake 35.4 per cent

Alusid makes beautiful, premium-quality tiles, tabletops and other surfaces by recycling industrial waste, ceramics and glass, much of which would otherwise go to landfill. The company's patented formulations and processes use less energy and water than conventional tile manufacturing. During the period, the company concluded a funding round raising £1.13 million. The company is scaling up a hard-wearing floor tile for mass manufacture and is investigating the use of glazes made from recycled materials to further increase the amount of recycled content in its tiles, currently at industry-leading levels of 90 per cent or more.

Deakin Bio: Frontier IP stake 33.3 per cent

One company joined the portfolio. Frontier IP took an equity stake in Deakin Bio-Hybrid Materials, a company developing advanced bio-based materials from organic waste such as chickpea broth and widely available non-organic powders.

Corporate developments

Dame Julia King, Baroness Brown of Cambridge, DBE FREng FRMedSci, previously the Company's senior independent non-executive director, became independent Non-Executive Chair at the annual meeting in December 2023, replacing Andrew Richmond. Andrew stepped down from the Board of Directors having served on the Frontier IP board for 11 years. Jim Fish is to step down from the Board of Directors as Chief Financial Officer by the end of May 2024. He will remain with the Group in a new role as Portfolio Finance Director to continue supporting portfolio companies.

Post period end, the Group completed its exit of Exscientia, realising a further £2.54 million to support its balance sheet. In return for a nominal investment, the Group has realised a total of approximately £14 million from Exscientia.

OUTLOOK

Frontier IP faces the future with confidence. There are a number of highly promising developments within the portfolio as companies gain industry traction, scale up and achieve commercial viability. Others are at or approaching inflection points. We continue to add companies to the portfolio to ensure we have a broad spread of maturity throughout.

Despite the difficult market and economic conditions, we are optimistic about the longer-term prospects for the Group.

Neil Crabb

Chief Executive Officer

RESULTS SUMMARY

Financial assets at fair value through profit and loss at 31 December 2023 increased to £41,530,000 (30 June 2023: £37,589,000; 31 December 2022: £41,065,000). This reflects an unrealised profit on the revaluation of investments of £2,849,000, the partial disposal of the Group's investment in Exscientia of £784,000 and investments in other portfolio companies of £1,876,000. Unrealised profit on the revaluation of investments over the first half increased by c.600 per cent to £2,849,000 (2022: unrealised profit of £400,000), the profit deriving from unquoted equity investments £2,697,000, the remaining holding in quoted company Exscientia £123,000 and debt investments of £29,000. Revenue from services remained level at £203,000 (2022: £203,000). The Group sold part of its holding in Exscientia for net proceeds of £839,000, realising profits of £54,000 in the period under review. The remaining holding in Exscientia was sold post period end for net proceeds of £1,708,000, realising profits of £72,000 post period end and £195,000 in the current financial year. A profit before tax of £1,415,000 (2022: loss £469,000) reflected the increase in the unrealised profit on the revaluation of investments offset by a lower realised profit on disposal of investments and increased administrative expenses while profit after tax increased by c.450 per cent to £1,488,000 (2022: £269,000). Administrative expenses increased by 26 per cent to £1,803,000 (2022: £1,429,000) of which personnel expenses accounted for 19% of the increase. The share-based payment charge increased to £122,000 (2022: £70,000). Basic earnings per share were 2.67pp (2022: 0.49p).

Cash balances stood at £2,737,000 as at 31 December 2023 (30 June 2023: £4,603,000; 31 December 2022: £5,850,000). Post 31 December 2023, the Group disposed of its remaining holding in Exscientia for net proceeds of £1,708,000. Net assets per share as at 31 December 2023 were 84.2p (30 June 2023: 81.8p; 31 December 2022: 88.2p).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2023

	Notes	Six months ended 31 December 2023 (unaudited) £'000	Six months ended 31 December 2022 (unaudited) £'000	Year ended 30 June 2023 (audited) £'000
Revenue				
Revenue from services		203	203	372
Other operating income				
Unrealised profit/(loss) on the revaluation of investments	8	2,849	400	(966)
Realised profit/(loss) on disposal of investments		54	307	(786)
		<u>3,106</u>	<u>910</u>	<u>(1,380)</u>
Administrative expenses		(1,803)	(1,429)	(3,130)
Share based payments		(122)	(70)	(155)
Interest income on debt investments		188	102	232
Other income		18	5	13
Profit/(loss) from operations		<u>1,387</u>	<u>(482)</u>	<u>(4,420)</u>
Interest income on short-term bank deposits		28	13	50
Profit/(loss) from operations and before tax		<u>1,415</u>	<u>(469)</u>	<u>(4,370)</u>
Taxation	6	73	738	1,126
Profit/(loss) and total comprehensive income/(expense) attributable to the equity holders of the Company		<u>1,488</u>	<u>269</u>	<u>(3,244)</u>
Profit per share attributable to the equity holders of the parent				
Basic earnings/(loss) per share	7	2.67	0.49p	(5.85)p
Diluted earnings/(loss) per share	7	2.60	0.47p	(5.64)p

All the Group's activities are classed as continuing and there were no comprehensive gains or losses in any period other than those included in the statement of comprehensive income.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

		As at 31 December 2023 (unaudited) £'000	As at 31 December 2022 (unaudited) £'000	As at 30 June 2023 (audited) £'000
ASSETS	Notes			
Non-current assets				
Tangible fixed assets		10	9	13
Goodwill		1,966	1,966	1,966
Financial assets at fair value through profit and loss				
Equity investments	8	35,068	36,098	32,964
Debt investments	8	6,462	4,967	4,625
		<u>43,506</u>	<u>43,040</u>	<u>39,568</u>
Current assets				
Trade receivables and other current assets		1,532	942	1,026
Advances		-	-	793
Cash and cash equivalents		2,737	5,850	4,603
		<u>4,269</u>	<u>6,792</u>	<u>6,422</u>
Total assets		<u>47,775</u>	<u>49,832</u>	<u>45,990</u>
LIABILITIES				
Non-current liabilities				
Deferred taxation		(138)	(484)	(211)
		<u>(138)</u>	<u>(484)</u>	<u>(211)</u>
Current liabilities				
Trade and other payables		(351)	(270)	(241)
		<u>(351)</u>	<u>(270)</u>	<u>(241)</u>
Total liabilities		<u>(489)</u>	<u>(754)</u>	<u>(452)</u>
Net assets		<u>47,286</u>	<u>49,078</u>	<u>45,538</u>
EQUITY				
Called up share capital		5,617	5,566	5,566
Share premium account		14,792	14,627	14,627
Reverse acquisition reserve		(1,667)	(1,667)	(1,667)
Share based payment reserve		1,335	1,318	1,291
Retained earnings		27,209	29,234	25,721
Total equity		<u>47,286</u>	<u>49,078</u>	<u>45,538</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-months ended 31 December 2023

	Share capital £'000	Share premium account £'000	Reverse acquisition reserve £'000	Share-based payment reserve £'000	Profit and loss account £'000	Total £'000
At 1 st July 2022	5,501	14,576	(1,667)	1,324	28,965	48,699
Issue of shares	65	51	-	(18)	-	98
Share-based payments	-	-	-	12	-	12
Profit/comprehensive income for the period	-	-	-	-	269	269
At 31 December 2022	5,566	14,627	(1,667)	1,318	29,234	49,078
Share-based payments	-	-	-	(27)	-	(27)
Profit/comprehensive income for the period	-	-	-	-	(3,513)	(3,513)
At 30 June 2023	5,566	14,627	(1,667)	1,291	25,721	45,538
Issue of shares	51	165	-	(78)	-	138
Share-based payments	-	-	-	122	-	122
Profit/comprehensive income for the period	-	-	-	-	1,488	1,488
At 31 December 2023	5,617	14,792	(1,667)	1,335	27,209	47,286

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2023

	Six months ended 31 December 2023 (unaudited) £'000	Six months ended 31 December 2022 (unaudited) £'000	Year ended 30 June 2023 (audited) £'000
Cash flows from operating activities			
Cash used in operations	(993)	(954)	(3,248)
Taxation paid	-	(3)	-
Net cash used in operating activities	(993)	(957)	(3,248)
Cash flows from investing activities			
Purchase of tangible fixed assets	(2)	(7)	(16)
Purchase equity investments	(68)	(573)	(691)
Disposal of equity investments	839	3,433	4,926
Purchase of debt investments	(1,808)	(525)	(884)
Interest received	28	13	50
Net cash from/(used in) investing	(1,011)	2,341	3,385
Cash flows from financing activities			
Proceeds from issue of equity shares	138	98	98
Net cash generated from financing activities	138	98	98
Net (decrease)/increase in cash and cash equivalents	(1,866)	1,482	235
Cash and cash equivalents at beginning of period	4,603	4,368	4,368
Cash and cash equivalents at end of period	2,737	5,850	4,603
Cash used in operations			
Profit/(loss) before tax	1,415	(469)	(4,370)
Adjustments for:			
Share-based payments	122	70	155
Depreciation	5	4	9
Interest received	(28)	(13)	(50)
Unrealised (profit)/loss on revaluation of investments	(2,849)	(400)	966
Realised (profit) on disposal of investments	(54)	(307)	786
Changes in working capital:			
Trade and other receivables	(507)	109	26
Advances	793	-	(793)
Trade and other payables	110	52	23
	(993)	(954)	(3,248)

NOTES

1. General information

The Company is a limited liability company incorporated in England and with its registered office at c/o CMS Cameron McKenna Nabarro Olswang LLP, 78 Cannon Street, London EC4N 6AF. The Company's main trading office is situated at 93 George Street, Edinburgh, EH2 3ES.

The Company is quoted on the AIM market.

This condensed consolidated interim financial information was approved and authorised for issue by a duly appointed and authorised committee of the Board of Directors on 13 March 2024.

This condensed interim financial information has not been audited or reviewed by the Company's auditor.

2. Basis of preparation

This condensed consolidated interim financial information for the six months ended 31 December 2023 has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 30 June 2023, which have been prepared in accordance with UK adopted International Financial Reporting Standards (IFRS).

This condensed consolidated interim financial information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The comparatives for the full year ended 30 June 2023 are not the Company's full statutory accounts for that year. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on those accounts was qualified on the basis that they were unable to obtain sufficient appropriate audit evidence in respect of the valuation of certain early stage equity investments valued at £1.2 million.

3. Going Concern

The accounts for the full year ended 30 June 2023 drew attention to the existence of a material uncertainty that cast significant doubt on the Group's ability to continue as a going concern. The material uncertainty was the dependence on the timing and amount of exit proceeds from the Group's sole quoted investment in Exscientia valued at £2.3 million at 30 June 2023. Since 30 June 2023 the Group has sold its remaining shares in Exscientia for over £2.5 million and the Group has sufficient cash to cover its operating expenditure for the next 12 months. However, to fund any unplanned investments and to cover operating expenditure beyond the next 12 months the Group needs to realise cash through further portfolio exits, the timing and amount of which is subject to material uncertainty.

4. Accounting policies

The accounting policies applied by the Group in these unaudited half year results are consistent with those applied in the annual financial statements for the year ended 30 June 2023 as described in the Group’s Annual Report for that year and as available on our website www.frontierip.co.uk. No new standards that have become effective in the period have had a material effect on the Group’s financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

5. Segmental information

The chief operating decision-maker has been identified as the Group’s board of directors. The board reviews the Group’s internal reporting to assess performance and allocate resources. Currently the board considers that the Group has one operating activity, the commercialisation of intellectual property. The Group’s revenue and profit before taxation were derived almost entirely from its principal activities within the UK. Though the Group has a Portuguese subsidiary as well as partnerships and spin outs in Portugal the associated revenues and costs are currently immaterial and, accordingly, no additional geographical disclosures are given.

6. Taxation

The taxation income for the six months to 31 December 2023 of £73,000 (31 December 2022: income of £738,000) represents movements in deferred tax on unrealised fair value gains, available tax losses and share-based payments.

A deferred tax asset in respect of trading losses arising before 1 April 2017 has not been recognised in view of the uncertainty as to the level of future taxable trading profits.

7. Earnings per share

The calculation of the basic earnings per share for the six months ended 31 December 2023 and 31 December 2022 and for the year ended 30 June 2023 is based on the earnings attributable to the shareholders of Frontier IP Group Plc in each period divided by the weighted average number of shares in issue during the period.

Basic earnings per share	<i>Earnings attributable to shareholders £'000</i>	<i>Weighted average number of shares Number</i>	<i>Basic earnings per share Pence</i>
Six months ended 31 December 2023	1,488	55,807,325	2.67
Six months ended 31 December 2022	269	55,108,403	0.49
Year ended 30 June 2023	(3,244)	55,409,606	(5.85)

Diluted earnings per share	<i>Earnings attributable to shareholders £'000</i>	<i>Weighted average number of shares Number</i>	<i>Diluted earnings per share Pence</i>
Six months ended 31 December 2023	1,488	57,271,415	2.60
Six months ended 31 December 2022	269	57,319,284	0.47
Year ended 30 June 2023	(3,244)	57,542,781	(5.64)

8. Financial assets at fair value through profit and loss

Equity investments comprise the following:

	Unquoted Equity Investments £'000	Quoted Equity Investment £'000	Total £'000
At 1 st July 2022	29,580	10,132	39,712
Additions	573	-	573
Disposals		(3,125)	(3,125)
Fair value increases	2,505		2,505
Fair value decreases	(24)	(3,543)	(3,567)
At 31 st December 2022	32,634	3,464	36,098
Additions	172	-	172
Disposals	-	(2,588)	(2,588)
Fair value increases	315	1,421	1,736
Fair value decreases	(2,454)	-	(2,454)
At 30 th June 2023	30,667	2,297	32,964
Additions	68	-	68
Disposals	-	(784)	(784)
Fair value increases	2,944	123	3,067
Fair value decreases	(247)	-	(247)
At 31 st December 2023	33,432	1,636	35,068

The valuation of the Group's investment in GraphEnergyTech increased by £1,230,000 during the six months to 31 December 2023, 44 per cent of the net fair value increase in unquoted equity investments. The valuation of the Group's investment in Pulsiv at 31 December 2023 increased by £862,000 over the six months to December 2023, 31 per cent of the net fair value increase in equity investments. Pulsiv's valuation at 31 December 2023 was £10,365,000, 30 per cent of the Group's total equity investments and 22 per cent of its net assets at 31 December 2023.

During the six months to 31 December 2023 the Group sold 168,559 American Depositary Shares of Exscientia for net proceeds of £839,000 resulting in a realised profit of £54,000. The Group's remaining investment in Exscientia, 324,991 American Depositary Shares, increased in value by £123,000 during the six months to 31 December 2023. The valuation of the Group's investment in Exscientia at 31

December 2023 was £1,636,000, 5 per cent of the Group's total equity investments and 3 per cent of its net assets at 31 December 2023.

Debt investments comprise the following:

	Unquoted Debt Instruments
	£'000
At 1 st July 2022	2,981
Additions	525
Fair value increases	1,507
Fair value decreases	(46)
At 31 st December 2022	<u>4,967</u>
Additions	359
Conversion of debt	(54)
Fair value decreases	(647)
At 30 th June 2023	<u>4,625</u>
Additions	1,808
Fair value increases	216
Fair value decreases	(187)
At 31 st December 2023	<u><u>6,462</u></u>

Debt investments are loans to portfolio companies to fund early-stage costs, provide funding alongside grants and bridge to an equity fundraise. Certain debt investments carry warrants granting the option to purchase shares.

The most significant loan made during the six months to 31 December 2023 was to CamGraPhIC (£1,457,000). £170,000 was loaned to Celerum and £150,000 to The Vaccine Group. The most significant debt investments at 31 December 2023 were loans to CamGraPhIC (£4,252,000), Nandi Proteins (£911,000) and Elute Intelligence (£483,000). The valuation of the Group's debt investments in CamGraPhIC increased by £183,000 during the six months to 31 December 2023, 85 per cent of the fair value increases in unquoted debt instruments; the valuation of the debt investment in Elute decreased by £139,000 in the same period, 74 per cent of the fair value decreases in debt investments.

9. Copies of Half Yearly Report

Copies of the Half Yearly Report will be available on the Company's website, www.frontierip.co.uk, and on request from the Company's offices at 93 George Street, Edinburgh EH2 3ES no later than 20th March 2024.

10. Equity holdings

All Group equity holdings in portfolio companies in the interim management statement are as at 31 December 2023.