

15 March 2023

Frontier IP Group plc
("Frontier IP", the "Group" or the "Company")

UNAUDITED HALF-YEAR RESULTS FOR THE SIX MONTHS TO 31 DECEMBER 2022

Frontier IP, a specialist in commercialising intellectual property, is pleased to announce its unaudited interim results for the six month period ended 31 December 2022.

KEY POINTS

- Pre-tax loss of £0.5 million (31 December 2021: profit of £10.3 million)
- Cash balances of £5.8 million at 31 December 2022 (30 June 2022: £4.4 million; 31 December 2021: £0.3 million)
- Basic earnings per share fell by 97 per cent to 0.49p (31 December 2021: 14.54p)
- Net assets per share of 88.2p as at 31 December 2022 (30 June 2022: 88.5p; 31 December 2021: 84.7p)
- Unrealised profit on the revaluation of investments fell by 97 per cent to £0.4 million (31 December 2021: £11.9 million)
- Fair value of portfolio fell by 9 per cent to £36.1 million at 31 December 2022 (30 June 2022: £39.7 million; 31 December 2021: £43.9 million) reflecting disposals of £3.1 million, additions of £0.6 million and fair value decreases of £1.1 million
- Significant commercial and technical progress across the portfolio
- Appointment of two new Non-Executive Directors announced today

Frontier IP made solid progress during the first half of the financial year. The Group sold a further tranche of Exscientia shares for general working capital purposes and to provide further support to portfolio companies. Our balance sheet and cash position are strong, and we are well placed to weather the current uncertain market and economic climate.

There were several important commercial and technical developments across the portfolio during the first half of the year. Several companies attracted significant industry interest and are gaining commercial traction as a result. We continue to strengthen management teams: two new chief executive officers were appointed to portfolio companies during the period. Two new portfolio companies, Enfold Health and GraphEnergyTech, were incorporated and joined the portfolio.

Post period end, the Group added further expertise and experience to its own leadership team. We are delighted to welcome Nigel Grierson and Dr David Holbrook to the Board of Directors as independent Non-Executive Directors. Dame Julia King, Baroness Brown of Cambridge DBE FREng FRS FMedSci has also been appointed Senior Independent Director. The changes take place with immediate effect. Campbell Wilson will be stepping down in April 2023, having served nine years as

a non-executive director, but will continue to assist the Group with selected portfolio companies. Further details are in the separate announcement published today.

PORTFOLIO AND OPERATIONAL HIGHLIGHTS

The six months to 31 December 2022 saw several companies gather momentum, achieving commercial, technical and funding milestones:

- Pulsiv raised £1.6 million through an equity funding round to develop and scale up its technology to improve the energy efficiency of power supplies, battery chargers, LED lighting and photovoltaic solar cells. The company has announced distribution agreements with a number of partners globally.
- CamGraPhIC's novel graphene-based photonics technology is now being tested with potential customers after the company raised £1.26 million through an equity funding round to complete fabrication and testing of demonstration devices. Sir Michael Rake, former chair of BT Group plc, has agreed to join the board of directors in due course.
- The Vaccine Group successfully completed two government-funded projects to develop vaccine candidates for zoonotic diseases, including a transmissible animal vaccine to tackle Lassa fever.
- During the period, Nandi Proteins signed heads of terms with a commercial partner for a meat/fat replacer and successfully completed trials of an egg white replacer on commercial production equipment. Post period end, the company commenced trials, which are now approaching completion, with a potential customer for the egg white replacer.
- Celerum and Elute appointed chief executive officers to strengthen their management teams. Following the launch of Truck Logistics System last year, Celerum is now winning customers.
- Two new portfolio companies, GraphEnergyTech and Enfold Health, were incorporated.
- Frontier IP generated net cash proceeds of £3.4 million through the sale of a further tranche of Exscientia shares to provide working capital and to enable the Group to support portfolio companies.

Post period end:

- Alusid announced the results of a successful collaboration with Imerys, a global leader in speciality minerals, to make floor tiles. Floor tiles are estimated to constitute about 60 per cent of the UK tile market.
- Nigel Grierson and Dr David Holbrook were appointed to the Frontier IP Board of Directors and Dame Julia King is appointed Senior Independent Director. The changes take place with immediate effect. Campbell Wilson is to step down from the Board of Directors in April 2023

but will continue to work with selected portfolio companies thereafter in an advisory capacity.

FINANCIAL HIGHLIGHTS

- Pre-tax loss of £0.5 million (31 December 2021: profit of £10.3 million)
- Post-tax profit fell by 97 per cent to £0.3 million (31 December 2021: £8.0 million)
- The Group sold part of its holding in Exscientia for net proceeds of £3.4 million, realising profits of £0.3 million. The Group's remaining investment in Exscientia decreased in value by £3.5 million during the six months to 31 December 2022.
- Cash balances stood at £5.8 million as at 31 December 2022 (30 June 2022: £4.4 million; 31 December 2021: £0.3 million)
- Basic earnings per share fell by 97 per cent to 0.49p (31 December 2021: 14.54p)
- Net assets per share decreased to 88.2p as at 31 December 2022 (30 June 2022: 88.5p; 31 December 2021: 84.7p) following the exercise of 652,607 share options by directors
- Unrealised profit on the revaluation of investments fell by 97 per cent to £0.4 million (31 December 2021: £11.9 million)
- Fair value of portfolio fell by 9 per cent to £36.1 million at 31 December 2022 (30 June 2022: £39.7 million; 31 December 2021: £43.9 million) reflecting disposals of £3.1 million, additions of £0.6 million and fair value decreases of £1.1 million

Chief Executive Neil Crabb said: *"The first half of the year can be summed up as a time of significant commercial and technical progress across our portfolio, while the overarching financial results reflected difficult market conditions for technology firms and early-stage companies, as anticipated at our year-end results. We supported our portfolio in developing the industry partnerships they need to prosper, strengthened management teams, and ensured our pipeline of opportunities remains attractive by incorporating two new portfolio companies.*

In particular, I would like to highlight three companies which took significant strides forward commercially during the period. They are moving beyond their inflection points and towards fulfilling their potential.

We believe Pulsiv's ground-breaking technology to make power conversion much more efficient has near universal applicability across a vast range of everyday devices – from power supplies and LED lighting to battery chargers and solar panels. The on-chip technology has the potential to lower cost because it uses fewer system components and can be fitted into smaller form factors. The benefits to consumers include reduced energy consumption and lower bills.

During the period, Pulsiv OSMIUM was launched for almost all mains-powered devices. The company has now put in place a series of distribution agreements with leading electronic component suppliers around the world to address different segments of the very broad target markets. A collaboration was also announced with a leading global manufacturer of power supplies, Salom, which has described the technology as "game changing".

Alusid's collaboration with Imerys, a global leader in speciality minerals, saw the company make an important technical breakthrough seeking to fill a gap in its product range – high-quality, hard-wearing floor tiles. Floor tiles constitute about 60 per cent of the UK tile market, but as yet there are

few, if any, sustainable alternatives to those made by conventional methods. Alusid entered into the collaboration, announced post the period end, after being named as one of two winners of the Imerys Start-Up Innovation Factory competition, in which 65 companies globally were selected to participate. The tiles were made from Imerys' waste, and Alusid is now trialling different techniques for mass manufacture.

The company is also close to launching a range of wall tiles with one of the UK's leading tile retailers, and I look forward to updating you soon.

Nandi Proteins is also striding forwards in terms of commercial development and scale up. The company signed heads of terms with a commercial partner for a meat/fat replacement product during the period, and successfully manufactured a fava bean based egg-white replacer on commercial production equipment in trials with a subcontractor. The egg-white replacer is now at an advanced stage of application trials with a potential customer, a major company in the meat alternative sector.

As our portfolio companies mature and move beyond validation to commercial scale up, we seek to strengthen their management teams. So, I am delighted that we were able to appoint two high-calibre Chief Executive Officers to run Elute Intelligence and Celerum. Steve Cable at Elute has more than 25 years' experience in building businesses at start-ups, mid-sized firms and large companies, and has worked with software solutions across a spectrum of applications, including artificial intelligence, search and professional services automation. David Gladding joined Celerum and will be overseeing the company's commercial and technical development following the launch of its first commercial product, Truck Logistics System. This is already winning customers, and David's experience in software and IT services companies, including those in the fleet management industry, will prove invaluable as the company grows.

We are also adding broader expertise and experience to our own Board of Directors. I am delighted that Nigel Grierson and Dr David Holbrook are joining us as Non-Executive Directors with immediate effect. Both have wide-ranging experience in technology investment and with spin-out and early-stage companies in sectors very relevant to our portfolio companies: Nigel in engineering and semiconductors, and David in life sciences. Dame Julia King, who joined the Board in October 2021, is becoming Senior Independent Director.

Sadly, Campbell Wilson will be standing down from the Board in April. During the nine years he has served as a Non-Executive Director, his support and experience have proved invaluable, and we look forward to continuing to work with him as he continues to support the Group and its portfolio companies.

I warned at the time of our annual results in November that the market outlook in the short term was uncertain. The environment was highly unpredictable, with the war in the Ukraine compounding existing risks, such as supply chain pressures, energy prices, inflation and rising interest rates, all likely to have an impact on investor risk appetite. This has proved especially so for technology stocks, and the main driver of our pre-tax loss is the fall in the value of our remaining shares in Exscientia. Exscientia is already established as a world leader in using artificial intelligence in drug discovery and we are confident about its future potential. There was also a slowdown in new funding activity, which impacted the overall portfolio valuation.

While it was encouraging, and indeed important for the sector, to see the speed with which the uncertainty around Silicon Valley Bank was resolved, the situation has served to highlight the danger rising interest rates pose to the financial system.

However, our balance sheet remains strong. A further sale of Exscientia shares during the period means our cash position is robust. Our portfolio is positioned to help solve fundamental problems around climate, energy, food, water and health. None of these challenges have dissipated, and we expect them to provide a continuing spur to innovation and its adoption in the months and years to come.

To take full advantage, it is vital we do not rest in seeking new opportunities and ensure we have the right pipeline in place. Two new portfolio companies were incorporated during the half which exemplify our approach. Enfold Health is focused on developing its innovative DNA Origami technology for making antibacterial treatments more effective, developed by Dr Ioanna Mela, an Associate Professor in the Department of Pharmacology at the University of Cambridge. GraphEnergyTech is developing highly conductive graphene electrodes to make solar cells more efficient, cost-effective and environmentally friendly.

Our other two spin outs from the Cambridge Graphene Centre, CamGraPhIC and Cambridge Raman Imaging, are also progressing well, and we believe materials technology advances are ready to enable a wave of opto-electronic innovation. Graphene and other 2D materials are ready to move on from the many years of promise into applications that can make a tangible impact. These, along with developments at our other portfolio companies, lead us to expect further positive updates. 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 in developing portfolio companies and creating value for shareholders by:

- Realising funds from the portfolio. During the half year the Group generated approximately £3.4 million of net proceeds by selling part of its stake in Exscientia to ensure financial strength for the foreseeable future.
- Supporting portfolio company fundraisings. Pulsiv completed a £1.6 million equity funding round, while CamGraPhIC raised £1.26 million.
- Strengthening the board of directors with two key appointments in Nigel Grierson and Dr David Holbrook.
- Helping to support industry partnerships across the portfolio. Pulsiv has signed distribution agreements with major electronic component suppliers, Alusid has started supplying a major tile retailer, and CamGraPhIC is testing devices with potential customers.

OPERATIONAL REVIEW

The Group and its portfolio companies made good commercial and technical progress during the half year to 31 December 2022. Our portfolio continues to grow and mature with several companies now gaining significant commercial traction. We further developed our relationships with university, government and industry partners. Further positive newsflow is expected in the coming months.

Portfolio developments included:

CamGraPhIC: Frontier IP stake 20.8 per cent

CamGraPhIC is developing 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 who believe the company's technology could prove an important enabler for the 5G and 6G networks of the future. There is also potential for applications in other sectors. Current versions of the technology have indicated speeds of up to 100Gbps per lane, operations across multiple wavebands and very low energy loss. Their speed is about twice that achieved by equivalent technologies, and they consume 70 per cent less energy. During the period, CamGraPhIC raised a further £1.26 million to complete fabrication and testing of demonstration devices, and customers are now testing the technology. Sir

Michael Rake, the former chair of BT Group plc, invested as part of the funding round, and will be joining the board of directors in due course. His previous roles include chair of WorldPlay Group plc, EasyJet plc, and President of the Confederation of British Industry.

Celerum: Frontier IP stake 33.8 per cent

Celerum's innovative artificial intelligence, based on metaheuristics such as nature-inspired computing, has the potential to improve operational efficiency across a broad range of industrial sectors. Initial applications are focused on logistics, where the company has launched its first commercial product, Truck Logistics System (TLS), to cut road haulage costs, carbon emissions and delivery times for small-to-medium sized truck fleets. The first customer was Colin Lawson Transport, a haulage firm based in Aberdeen, and a second customer has since started using the technology. Further potential applications have been identified in the maritime, energy and telecommunications sectors. To capitalise on growing interest in the technology, Celerum appointed a chief executive officer, David Gladding, during the period. David has more than 30 years' experience at senior levels in software and IT services companies, including those specialising in fleet management. He was senior vice president global sales for Chevin Fleet Services, and also worked for Civica and Fleet Clear.

Elute Intelligence: Frontier IP stake 41.2 per cent

Elute's software allows computers to read millions of documents in seconds to identify those of the greatest relevance. The technology is based on encoding forensic linguistic principles in software, which allows documents to be read in a manner similar to humans but by a computer at great speed. The software can clearly show why documents are relevant, a marked difference to the semantic search approaches used by competing products. It can also allow for rapid detailed comparison of text in documents, authorship detection for plagiarism and collusion, and automatic document summaries. Current products are based on English, but the functionality is not language dependent and could be applied to other languages, including Russian, Arabic and Chinese. Existing customers for the company's CopyCatch software to detect plagiarism are UCAS and the Open University . During the half year, the company appointed Steve Cable as chief executive officer. Steve has more than 25 years' experience building businesses at start-ups, mid-sized firms and larger companies.

Nandi: Frontier IP stake 20.1 per cent

Nandi's protein technology transforms commodity proteins into functional food ingredients. Nandi is currently focused on bringing two lead products to market. The first is a collagen-based meat/fat replacer for use in processed meat products, such as sausages, burgers and meatballs, reducing fat content and cost. Heads of terms have been signed with a commercial partner who is intending to license Nandi's technology to produce and sell the meat replacer, creating a royalty stream for Nandi. The second product is a fava bean-based egg white replacer that has been successfully tested in a range of applications including meringues, alternative meat products and multiple bakery products. During the period, Nandi successfully completed the first production run of the egg white replacer on commercial production equipment with a subcontract manufacturing partner. Nandi is in

late-stage application trials with a major food producer looking to eliminate the use of egg white powder in their products. Successful completion of the trials would see Nandi use a subcontract manufacturer to supply ingredients to this first major customer.

Pulsiv: Frontier IP stake 18.2 per cent

Pulsiv's ground-breaking 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. The company raised £1.6 million during the period to develop and scale up the technology and launched Pulsiv Osmium for power supplies and battery chargers. Commercial traction is strong and growing: the company is in advanced discussions with major manufacturers and has put in place a series of distribution agreements globally to cover different geographies and applications of the technology. These include strategic agreements with Astute Electronics, Digikey Electronics, the world's fifth largest electronic components distributor, ISMOsys and Pankaj Electronics. The company also entered into a collaboration with Salom, one of the world's major manufacturers of power supplies, which described Pulsiv's technology as "game changing". Post period end, Pulsiv announced further distribution agreements with CATS S.A.S, Fortec Electronik, Bescom Global and EPS Global.

The Vaccine Group: Frontier IP stake 17 per cent

The potential for The Vaccine Group's novel herpesvirus-based vaccine technology to be applied flexibly depending on the nature of the disease and animal reservoirs targeted was demonstrated by the successful completion of two government-funded projects. The first involved developing a transmissible candidate vaccine against a virus, Lassa fever, for use in the rats that spread the disease. A small-scale trial showed the candidate could be transmitted between rats, significantly improve their immunity to Lassa fever and reduce its spread between them. Technology to scale up for commercial production was also developed as part of the project, and the company is now in discussion with potential partners about further development. The work was funded by the US Defense Advanced Research Projects Agency, led by the University of California Davis, and involved TVG collaborating with academic partners from around the world. The second project, funded by the UK and Chinese governments, developed a vaccine candidate for *Streptococcus suis*, a bacterial disease carried by pigs. However, it can cause meningitis and other symptoms in humans. The disease is currently treated by antibiotics but is showing signs of resistance. A Chinese commercial partner, the Pulike Biological Engineering Company has started work to make the candidate vaccine at pilot scale.

Two new portfolio companies were incorporated. Enfold Health (Frontier IP stake 75.8 per cent) is commercialising the unique DNA Origami IP developed by Dr Ioanna Mela, Associate Professor in the Department of Pharmacology at the University of Cambridge, for making antibacterial treatments more effective, with an initial focus on *P.gingivalis*, considered to be the main risk factor for periodontal disease. GraphEnergyTech (Frontier IP stake 32.1 per cent) is developing highly conductive graphene inks. Initial application is for use in solar cells to make them more efficient, affordable and environmentally friendly.

Other post period end portfolio developments

Alusid: Frontier IP stake 38.9 per cent stake

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. After the period end, the company announced the results of a successful collaboration with Imerys, a world leader in speciality minerals, to make hard-wearing floor tiles. The collaboration resulted after Alusid was named as one of two winners in the inaugural Imerys Start-Up Innovation Factory competition from 65 companies from around the world selected to participate. Floor tiles comprise 60 per cent of the total UK tile market, according to MTW Research, and the products are generating industry interest. The company has started supplying a major tile retailer with wall tiles and a further announcement is expected soon.

Corporate developments

The Group realised approximately £3.4 million through the further sale of part of its equity stake in Exscientia. Two new portfolio companies were incorporated. After the period close, Frontier IP strengthened the board by appointing Nigel Grierson and Dr David Holbrook to its Board of Directors and made Dame Julia King, Baroness Brown of Cambridge, Senior Independent Director.

OUTLOOK

Frontier IP faces the future with confidence. However, we are mindful that the uncertain and challenging market conditions experienced during the first half of the year, driven by global factors such as the Russian invasion of Ukraine, could continue. The money raised through the partial sale of our Exscientia equity holding means our balance sheet remains strong and ensures we have the capital to support the Group and its portfolio companies for the foreseeable future.

We are seeing growing industry traction across the portfolio after several companies made important commercial and technical breakthroughs. Others are now reaching inflection points. We expect this progress to be reflected by strong positive news flow in the months to come.

Neil Crabb

Chief Executive Officer

RESULTS SUMMARY

Financial assets at fair value through profit and loss at 31 December 2022 decreased to £41,065,000 (30 June 2022: £42,693,000; 31 December 2021: £46,665,000). This reflects the partial disposal of the Group's investment in Exscientia of £3,125,000 and investments in other portfolio companies of £1,098,000. Unrealised profit on the revaluation of investments over the first half decreased by 97 per cent to £400,000 (2021: £11,914,000) with an increase in the value of unquoted equity and debt investments of £3,943,000 offset by a decrease in the value of the remaining holding in Exscientia by £3,543,000. Revenue from services increased to £203,000 (2021: £163,000). The Group sold part of its holding in Exscientia for net proceeds of £3,433,000, realising profits of £307,000 in the period under review. A loss before tax of £469,000 was incurred (2021: £10,281,000) reflecting the lower profit on the revaluation of investments while profit after tax decreased by 97 per cent to £269,000 (2021: £7,998,000). Administrative expenses decreased by 18 per cent to £1,429,000 (2021: £1,733,000) with prior year numbers reflecting a bonus paid to directors and staff in 2021. Excluding the 2021 bonus, administrative expenses increased by 21 per cent due to additional personnel resource and professional and financial expenses. The share-based payment charge decreased to £70,000 (2021: £161,000). Basic earnings per share were 0.49p (2021: 14.54p).

Cash balances stood at £5,850,000 as at 31 December 2022 (30 June 2022: £4,368,000; 31 December 2021: £346,000). Net assets per share as at 31 December 2022 were 88.2p (30 June 2022: 88.5p; 31 December 2021: 84.7p) the marginal reduction reflecting the exercise of 652,607 share options by directors.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2022

	Notes	Six months ended 31 December 2022 (unaudited) £'000	Six months ended 31 December 2021 (unaudited) £'000	Year ended 30 June 2022 (audited) £'000
Revenue				
Revenue from services		203	163	329
Other operating income				
Unrealised profit on the revaluation of investments	7	400	11,914	10,908
Realised profit on disposal of investments		307	-	2,867
		910	12,077	14,104
Administrative expenses		(1,429)	(1,733)	(3,104)
Share based payments		(70)	(161)	(329)
Other income		107	97	207
(Loss)/profit from operations		(482)	10,280	10,878
Interest income on short-term bank deposits		13	1	1

(Loss)/profit from operations and before tax		(469)	10,281	10,879
Taxation	5	738	(2,283)	(649)
Profit and total comprehensive income attributable to the equity holders of the Company		269	7,998	10,230
Profit per share attributable to the equity holders of the parent				
Basic earnings per share	6	0.49p	14.54p	18.60p
Diluted earnings per share	6	0.47p	13.67p	17.53p

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 2022

		As at 31 December 2022 (unaudited) £'000	As at 31 December 2021 (unaudited) £'000	As at 30 June 2022 (audited) £'000
ASSETS	Notes			
Non-current assets				
Tangible fixed assets		9	9	6
Goodwill		1,966	1,966	1,966
Financial assets at fair value through profit and loss				
Equity investments	7	36,098	43,892	39,712
Debt investments	7	4,967	2,773	2,981
		43,040	48,640	44,665
Current assets				
Trade receivables and other current assets		942	924	1,051
Cash and cash equivalents		5,850	346	4,368
		6,792	1,270	5,419
Total assets		49,832	49,910	50,084
LIABILITIES				
Non-current liabilities				
Deferred taxation		(484)	(2,507)	(1,167)
		(484)	(2,507)	(1,167)
Current liabilities				
Trade and other payables		(270)	(809)	(218)
		(270)	(809)	(218)
Total liabilities		(754)	(3,316)	(1,385)

Net assets	49,078	46,594	48,699
EQUITY			
Called up share capital	5,566	5,501	5,501
Share premium account	14,627	14,576	14,576
Reverse acquisition reserve	(1,667)	(1,667)	(1,667)
Share based payment reserve	1,318	1,451	1,324
Retained earnings	29,234	26,733	28,965
Total equity	49,078	46,594	48,699

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-months ended 31 December 2022

	Share capital £'000	Share premium account £'000	Reverse acquisition reserve £'000	Share- based payment reserve £'000	Profit and loss account £'000	Total £'000
At 1st July 2021	5,501	14,576	(1,667)	1,276	18,735	38,421
Share-based payments	-	-	-	175	-	175
Profit/comprehensive income for the period	-	-	-	-	7,998	7,998
At 31 December 2021	5,501	14,576	(1,667)	1,451	26,733	46,594
Share-based payments	-	-	-	(127)	-	(127)
Profit/comprehensive income for the period	-	-	-	-	2,232	2,232
At 30 June 2022	5,501	14,576	(1,667)	1,324	28,965	48,699
Share-based payments	65	51	-	(6)	-	110
Profit/comprehensive income for the period	-	-	-	-	269	269
At 31 December 2022	5,566	14,627	(1,667)	1,318	29,234	49,078

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2022

	Six months ended 31 December 2022 (unaudited) £'000	Six months ended 31 December 2021 (unaudited) £'000	Year ended 30 June 2022 (audited) £'000
Cash flows from operating activities			
Cash used in operations	(954)	(1,196)	(3,006)
Taxation paid	(3)	-	-
Net cash used in operating activities	(957)	(1,196)	(3,006)
Cash flows from investing activities			
Purchase of tangible fixed assets	(7)	(2)	(3)
Purchase equity investments	(573)	(69)	(614)
Disposal of equity investments	3,433	-	6,525
Purchase of debt investments	(525)	(380)	(527)
Interest received	13	1	1
Net cash from/(used in) investing activities	2,341	(450)	5,382
Cash flows from financing activities			
Proceeds from issue of equity shares	98	-	-
Net cash generated from financing activities	98	-	-
Net increase/(decrease) in cash and cash equivalents	1,482	(1,646)	2,376
Cash and cash equivalents at beginning of period	4,368	1,992	1,992
Cash and cash equivalents at end of period	5,850	346	4,368
Cash used in operations			
Profit/(loss) before tax	(469)	10,281	10,879
Adjustments for:			
Share-based payments	70	161	329
Depreciation	4	4	8
Interest received	(13)	(1)	(1)
Fair value (gain) on financial assets at fair value through profit or loss	(400)	(11,914)	(10,908)
Realised profit on disposal of investments	(307)	-	(2,867)
Changes in working capital:			
Trade and other receivables	109	(329)	(456)
Trade and other payables	52	602	10
	(954)	(1,196)	(3,006)

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 14th March 2023.

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 2022 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 2022, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

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 2022 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 unqualified and did not contain a statement under sections 498(2) or 498(3) of the Companies Act 2006.

3. 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 2022 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.

4. 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.

5. Taxation

The taxation income for the six months to 31 December 2022 of £738,000 (31 December 2021: expense of £2,283,000) represents the part reversal of the deferred tax liability on unrealised fair value gains less the reversal of the deferred tax asset of available tax losses.

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.

6. Earnings per share

The calculation of the basic earnings per share for the six months ended 31 December 2022 and 31 December 2021 and for the year ended 30 June 2022 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 2022	269	55,108,403	0.49
Six months ended 31 December 2021	7,998	55,005,546	14.54
Year ended 30 June 2022	10,230	55,005,546	18.60

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 2022	269	57,319,284	0.47
Six months ended 31 December 2021	7,998	58,509,845	13.67
Year ended 30 June 2022	10,230	58,339,949	17.53

7. Financial assets at fair value through profit and loss

Equity investments comprise the following:

	Unquoted Equity Investments £'000	Quoted Equity Investments £'000	Total £'000
At 1 st July 2021	31,982	-	31,982
Additions	69	-	69
Conversion of debt	135	-	135
Reclassification	(13,211)	13,211	-
Fair value increases	2,044	9,695	11,739
Fair value decreases	(33)	-	(33)
At 31 st December 2021	20,986	22,906	43,892
Additions	545	-	545
Disposals	-	(3,659)	(3,659)
Conversion of debt	629	-	629
Fair value increases	7,629	-	7,629
Fair value decreases	(209)	(9,115)	(9,324)
At 30 th June 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

The valuation of the Group's investment in Pulsiv at 31 December 2022 was £9,520,000, 26 per cent of the Group's total equity investments and 19 per cent of its net assets at 31 December 2022. The valuation of the Group's investment in CamGraPhIC increased by £1,884,000 during the six months to 31 December 2022, 76 per cent of the net fair value increase in unquoted equity investments.

During the six months to 31 December 2022 the Group sold 349,020 American Depositary Shares of Exscientia for net proceeds of £3,433,000 resulting in a realised gain of £307,000. The Group's remaining investment in Exscientia, 782,400 American Depositary Shares, decreased in value by £3,543,000 during the six months to 31 December 2022. The valuation

of the Group's investment in Exscientia at 31 December 2022 was £3,464,000, 10 per cent of the Group's total equity investments and 7 per cent of its net assets at 31 December 2022.

Debt investments comprise the following:

	Unquoted Debt Instruments
	£'000
At 1 st July 2021	2,320
Additions	380
Conversion of debt	(135)
Fair value increases	246
Fair value decreases	(38)
At 31 st December 2021	<u>2,773</u>
Additions	147
Conversion of debt	(629)
Fair value increases	690
Fair value decreases	-
At 30 th June 2022	<u>2,981</u>
Additions	525
Fair value increases	1,507
Fair value decreases	(46)
At 31 st December 2022	<u><u>4,967</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 loans made during the six months to 31 December 2022 were to Alusid (£200,000) and Elute Intelligence Holdings (£125,000). The most significant debt investments at 31 December 2022 were loans to CamGraPhIC (£3,380,000), Nandi Proteins (£723,000) and Elute Intelligence (£546,000). The valuation of the Group's debt investment in CamGraPhIC increased by £1,492,000 during the six months to 31 December 2022, 99 per cent of the fair value increases in unquoted debt instruments.

8. 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 21st March 2023.

9. Equity holdings

All Group equity holdings in portfolio companies in the interim management statement are as at 31 December 2022.