

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF EU REGULATION 596/2014 (AS AMENDED) (WHICH FORMS PART OF DOMESTIC UK LAW PURSUANT TO THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (AS AMENDED)). ON THE PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.**

8 December 2025

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

**Final results for the year ended 30 June 2025**

**Financial highlights**

- Fair value of the Company's equity portfolio is broadly in line with prior year at £33,407,000 (2024: £33,203,000) following the unrealised loss on investment of £2,697,000 (2024 unrealised gain of £2,468,000), additions of £3,081,000 (2024: £68,000) offset by disposals of £180,000 (2024: £2,297,000).
- Fair value of the Company's debt portfolio reduced significantly compared to prior year to £3,066,000 (2024 : £5,595,000) primarily due to the conversion of £2,685,000 debt investments in Camgraphic Ltd to equity in 2D Photonics (referenced below as £2,607,000 loan plus unrealised gain of £78,000) as well as an unrealised loss of £344,000 (2024 : £1,287,000). These movements were partially offset by new loans issued of £500,000 (2024 : £2,157,000) to two portfolio companies.
- Disposals in both our equity and debt portfolio related to Camgraphic Ltd. Equity shares valued at £180,000 and the loan valued at £2,607,000 together with accrued interest of £217,000 were exchanged for a shareholding in 2D Photonics of £3,081,000 in a non-cash transaction including an unrealised gain of £78,000 (2024: ExScientia disposal generated cash of £2,545,000 with a realised gain of £249,000).
- Unrealised loss on the revaluation of investments of £3,041,000 (2024: unrealised gain of £1,282,000) comprising unrealised losses on equity investments of £2,697,000 (2024: unrealised gain of £2,468,000) and unrealised losses on debt investments of £344,000 (2024: unrealised losses of £1,187,000).
- Cash balances at 30 June 2025 of £2,584,000 (2024: £2,298,000).
- Net assets per share as at 30 June 2025 reduced to 61.0p (30 June 2024: 79.7p) in part due to the additional 12.7m shares issued as part of the fund raise in December 2024.
- Loss before tax of £6,344,000 represents a significant increase on prior year (2024: £1,337,000) and is driven by the unrealised losses across debt and equity investments of £3,041,000 (2024: gain £1,282,000) as well as operating expenses incurred of £3,456,000 which were modestly reduced versus prior year (2024: £3,508,000).
- Basic loss per share of 10.08p, Diluted loss per share of 9.87p (2024: basic loss per share 2.01p, Diluted loss per share 1.96p).

**Corporate highlights**

- Entered a strategic partnership with Abstract Mid-Tech Limited, an associate company of Abstract Securities Limited, to create a new innovation hub, SC<sup>2</sup>, in the South Cambridge Science Centre, one of Cambridge's most advanced facilities dedicated to science and technology. Abstract paid Frontier IP £1 million for becoming an anchor tenant and will provide the space rent free for the first 12 months. The Group plans to sublet the majority of the space to portfolio companies and other innovative start-ups. The move will reduce dependency on exits and potentially create positive cashflow and the opportunity to leverage the balance sheet. It will also enable Frontier IP to strengthen its presence at the heart of the Cambridge science and technology ecosystem and, by extension, within the UK's innovation golden triangle of Cambridge, Oxford and London.
- Raised £3.6 million through a placing and retail offer to provide working capital and for selective support to portfolio companies.
- Post-period end two executive directors announced their intention to leave the Group to pursue other opportunities with successor recruitment underway:
  - Chief Commercialisation Officer Matthew White is to become Chief Executive Officer of an early-stage medical devices company. It is currently intended that he will remain with the Group until the end of his six month notice period on 24 March 2026.
  - Chief Financial Officer Jo Stent is to join a private equity-backed specialist financial services provider. She will step down as a director no later than 30 April 2026. This will enable her to oversee publication of the interim results for the six months to December 2025.

## Portfolio highlights

- The Group's portfolio includes companies at different stages of development. Frontier IP is actively considering potential realisations from several companies. Companies made good technical and commercial progress, attracting support from major backers at home and abroad. Five companies raised money during the year via equity funding rounds, convertible loans, grants, or a combination of the three, despite a difficult funding environment.

Highlights included:

- o 2D Photonics raised €25 million through a Series A funding round for its wholly-owned Italian subsidiary CamGraPhIC Srl. Investors included CDP Venture Capital, the Nato Innovation Fund, the Sony Innovation Fund, Join Capital, Bosch Ventures, part of Bosch Group, and Indaco Ventures. 2D Photonics was set up to own and manage CamGraPhIC's activities in the UK and Italy.
- o Alusid signed two international distribution agreements. The first was with Dutch sustainable materials firm FRONT Materials BV, the second with Italian distributor 3D Wall Panels Italia. The company also launched its Mas floor tile range through Topps Tiles plc retail chain, the second range to be launched by Topps.
- o Deklin, (the trading name of Deakin Bio-Hybrid Materials), raised £693,000 through an initial equity fundraising, led by Green Angel Ventures.
- o GraphEnergyTech raised £1 million through an investment round led by Aramco Ventures, the corporate venturing arm of Aramco. The company subsequently entered a collaboration with the Taiwan Perovskite Solar Corporation and University of Cambridge to develop next generation perovskite technology, a project backed by a grant worth nearly £900,000 from Innovate UK
- o Nandi Proteins raised more than £500,000 via a convertible loan with investors including Nesta and Scottish Enterprise.
- o Pulsiv launched the world's most efficient 65W USB C design to enable operations at much lower temperatures, minimise energy loss and reduce the number of critical components. The ground-breaking design subsequently won the Power Sources Manufacturers Association's first Global Energy Efficiency Award.
- o The Vaccine Group (TVG) is leading a project awarded a £1 million grant from the UK's Department for Environment, Food & Rural Affairs to develop vaccines for *Streptococcus suis* (S.suis), a zoonotic pig disease. Collaborators include the Universities of Cambridge and Plymouth. The company and Global animal health group Syva signed an option to license agreement for a S.suis vaccine. The Animal and Plant Health Agency won an Innovate UK Smart Grant to develop vaccines for two bovine diseases

Grant to develop vaccines for two bovine diseases.

Post-period end developments:

- o Amprologix raised £740,000 through a pre-Series A funding round backed by Plutus Investments, institutional and angel investors to complete pre-clinical development lead candidate epidermicin NI01 and into Phase I clinical trials.
- o The Vaccine Group announced outstanding results from the first cattle trial testing their Bovine Respiratory Disease Virus vaccine candidates and that discussions with potential commercial partners were underway.
- o Alusid signed a third international distribution agreement with one of Sweden's largest tile suppliers, Kakelspecialisten, a subsidiary of Saint-Gobain.
- o Pulsiv signed a global stocking agreement with distribution giant Farnell and was shortlisted for the Power System Product of the Year in the Elektra Awards.
- o Deklin completed its first commercial installation and moved into bigger premises to scale up.

**Key extracts from the Annual Report can also be viewed below which include the basis for a qualified audit opinion and material uncertainty relating to going concern.**

**The financial information in this announcement has been extracted from the Group's Annual Report and Statement of Accounts for the year to 30 June 2025 and is prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and in accordance with UK adopted international accounting standards. Whilst the financial information included in this preliminary announcement has been computed in accordance with International Financial Reporting Standards (IFRS), this announcement does not itself contain sufficient information to comply with IFRS and the financial information set out does not constitute the Company or Group's statutory accounts for the years to 30 June 2025 or 30 June 2024.**

## 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.

## Chair's Statement Performance

This year saw Frontier IP take an enormously exciting step forward with the announcement of our new innovation hub in Cambridge, SC<sup>2</sup>. The hub will cement our position at the heart of the Cambridge life sciences and deep technology ecosystem and, by extension, within the broader innovation triangle of Cambridge, Oxford and London. This major strategic development is expected to provide us with a

Cambridge, Oxford and London. This major strategic development is expected to provide us with a regular income stream and ensure we can maximise the potential of our portfolio companies based there. They will be working in one of the most advanced facilities for scientific innovation in Cambridge, purpose-built to meet their needs and those of companies like them.

The hub will also help us to weather the inevitable vicissitudes involved when working with start-up, early stage and maturing technology businesses. This was exemplified by our performance this year. In the round, portfolio companies made good commercial and technical progress. Five companies raised funds during the year. They attracted investment and support from major corporations, government agencies and other institutions. But the move towards exits was hampered by the exceptionally difficult conditions in the private and public markets. Our pre-tax losses widened. This is, of course, a disappointment and I can assure you, our shareholders, that generating a realisation remains a key focus for the chief executive and board of directors in the coming year. Neil's statement addresses some of the issues and discusses portfolio progress and future direction, including the thinking behind SC<sup>2</sup>, in more detail.

Despite the difficulties, I firmly believe in the Group's strategy and the business model. Having worked in senior roles in industry and academia, it solves a lot of the problems experienced on both sides. The fact portfolio companies are being supported by multinationals such as Aramco, Bosch, Sony, the Taiwan Perovskite Solar Corporation, as well as financial institutions, provides evidence that a need is being met.

More broadly, the portfolio is also very well positioned to meet some of the greatest challenges we face today, around climate, health, energy, water and food.

An example: one of my roles is chair of the UK Climate Change Committee's Adaptation Committee. For all those who might want it to be otherwise, or deny it is happening, the climate is changing. In the 19<sup>th</sup> Century, global average temperatures were fairly constant: there were years when the climate was hotter and years when it was colder.

Now the trend is only getting hotter. 2023 was the hottest year on record: 2024 was even hotter - 11 of the hottest years on record have occurred since 2010. In the South East of England, the hottest daytime temperatures are now rising by almost 1<sup>0</sup>C a decade. This suggests that by the middle of this Century, we could see maximum summer temperatures of 43<sup>0</sup>C and more.

The big gains in emissions reduction and efficiency improvement needed to stop temperatures from rising will come from system-wide changes, but there are areas where Frontier IP's portfolio companies can make a significant impact.

Pulsiv's technology improves the efficiency of energy conversion and can be applied wherever power is converted - from a domestic phone charger to the heavyweight industrial converters used in data centres and wind turbines. 2D Photonics graphene photonic and semiconductor devices will work at 80 per cent greater energy efficiency than their silicon equivalents, and GraphEnergyTech's graphene electrodes could cut the costs of solar power by replacing silver in solar cells and enable the potential of more energy efficient perovskite technology.

Reducing the carbon footprint of buildings is critical to addressing climate change, and here Deklin and Alusid produce ceramics and ceramic alternatives with dramatically lower carbon footprints than conventional products.

Climate is only one of the challenges portfolio companies are helping to tackle. Given their scale and the consistent, long-term direction of the portfolio, it seems only right that we should enshrine our sustainability principles more formally in the way the company operates. Which is why from next year, we are introducing a new key performance indicator: the percentage of Portfolio Companies Licensing and/or Selling Technologies which align with the United Nations Sustainable Development Goals.

On the people front, I am sorry to see that Matthew White, our Chief Commercialisation Officer, and Chief Financial Officer, Jo Stent, will be leaving the Group. Matt has accepted a Chief Executive Officer role at a medical devices start up, while Jo is going to pursue an opportunity with a private equity-backed specialist financial services provider. I would like to thank them both for their valuable work and wish them all the very best for the future.

## **Corporate Governance**

Good governance is vital for long-term sustainable growth, and we strive to achieve the highest standards appropriate to a business our size. We currently adhere to the Quoted Companies Alliance Corporate Governance Code, and our Board adopted the new 2023 Code on 16 April 2025.

The QCA Code takes the key elements of good governance and applies them in a manner which is

workable for the different needs of growing companies. It outlines 10 broad principles and related disclosures.

The Corporate Governance Statement of this report sets out each principle and explains in detail how we are complying.

## Results

Results were solid in what continued to be a tough environment for start-up and early-stage companies, for making successful exits and for AIM-quoted stocks. The rise in fair value of our equity portfolio to £33,407,000 reflected disposals of £180,000 and additions of £3,081,000. We made an unrealised loss on the revaluation of investments of £2,697,000 against an unrealised gain for the year to June 2024 of £2,712,000.

Our cash balances at 30 June 2025 were £2,584,000 (2024: £2,298,000).

## Outlook

I remain confident about the long-term prospects for Frontier IP and its portfolio companies. They are helping to solve some of the most difficult challenges we face today. They made solid commercial, financial and technical progress. However, shorter-term political, global and market uncertainty mean the timing of developments remain difficult to predict.

## Professor Dame Julia King, Baroness Brown of Cambridge, DBE FREng FRS FMedSci Chair

7 December 2025

## Chief Executive Officer's Statement

The year to June 2025 can be summed up as one of solid progress across the portfolio hampered by difficult public and private market conditions. I regret to say that pre-tax losses widened and market issues, particularly for AIM-quoted and early-stage technology companies, obstructed our path towards making a successful exit.

Announcing our innovation hub SC<sup>2</sup> was the year's undoubted highlight. I believe it will transform our business. The hub occupies 18,000 square feet in the South Cambridge Science Centre, which was developed by our strategic partners, Abstract Mid-Tech, part of Abstract Securities.

First, the centre will put us on to a sounder financial footing. As an anchor tenant, we were paid a £1 million inducement fee and given the space rent free for the first year. Our plan is to sublet the space to portfolio companies and to other start-up and early-stage science and technology businesses that align with our focus on life sciences and deep technology to generate a steady income.

I believe SC<sup>2</sup> will prove highly attractive to prospective tenants. The South Cambridge Science Centre is high quality, the city's first development for years custom-built to house science and technology businesses. This is no converted office block where compromise and kludges are often required to accommodate serious scientific work. Our space can be configured to meet specialist demands: there is a proper ventilation system and sinks, fume hoods and other equipment to handle liquids and gases can be easily installed if the need is for wet lab space or removed when things change.

SC<sup>2</sup> will help to position us at the heart of the Cambridge innovation ecosystem, raising a profile not just within Cambridge, but also in the wider UK innovation triangle of Cambridge, Oxford and London. It will also bring together our commercialisation team, portfolio companies and like-minded businesses under one roof and open all kinds of networking opportunities. It will become simpler to identify and access new deal flow. Being closer to our portfolio companies will improve operational efficiency to speed their development and growth while driving down costs. Ultimately, it will help us to accelerate exits and realisations by providing a single location to meet corporate backers and investors.

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Exits and realisations remain a key focus. At the half year I warned that timings would be difficult to predict and heavily dependent on market conditions. This is still the case. Exits have been difficult for everyone, and not just in the UK. After hitting a high of 917 billion in 2021, global realisations fell to a nadir of 151 billion in 2024, according to Pitchbook data. There are now signs markets might be picking up, but at this stage, I would emphasise that optimism must remain cautious.

However, the day when we do complete an exit does move closer. Portfolio companies did make commercial and technical progress through the year and beyond. The strength of our businesses is reflected in the fact that despite the tricky markets, several raised funds and / or gained support from major multinationals, investment firms, government agencies and organisations. Our technologies have strong commercial appeal.

Among those raising funds was 2D Photonics, a company established to own and manage the UK and Italian activities of CamGraPhIC, raised €25 million in a Series A round backed by the Nato Innovation Fund, the Sony Innovation Fund, Bosch Ventures, CDP Venture Capital, Join Capital and Indaco Ventures.

GraphEnergyTech raised £1 million in an investment round led by Aramco Ventures, the corporate venturing arm of Aramco. The company also announced a collaboration with the Taiwan Perovskite Solar Corporation, Taiwan's Industrial Technology Research Institute, and the University of Cambridge to develop the next generation of solar technology combining perovskite solar cells with the company's graphene electrodes. The project is backed by Innovate UK.

Deklin raised £693,000 through an initial equity funding round led by Green Angel Ventures and completed the first commercial installation of its ceramic tile alternatives. Nandi Proteins received a £500,000 convertible loan supported by Nesta and Scottish Enterprise, and, after the period end, Amprologix raised £740,000 to take its lead candidate epidermicin NI01, the first in a new class of antibiotics, through pre-clinical development and into Phase I clinical trials.

Commercial progress included Alusid signing two international distribution agreements one in the Netherlands and the other in Italy. We are hopeful they will bear fruit soon. Topps Tiles launched Mas, the second Alusid-made range now available in its stores.

Technical developments included Pulsiv launching the world's most energy efficient 65W USB-C reference design, which subsequently won the inaugural Global Energy Efficiency Award run by the global Power Sources' Management Association. After the period close, global distributor Farnell signed a stock agreement with the company.

Finally, The Vaccine Group led a project awarded £1 million by the UK government's Department for the Environment, Food and Rural Affairs and, alongside The Animal and Plant Health Agency, won an Innovate UK grant to develop vaccines for two bovine diseases. After the period close, it was announced that two vaccines to tackle bovine respiratory syncytial virus achieved outstanding results and strong validation for the company's innovative vaccine delivery platform.

What we do is important. This year's Nobel prize for economics was awarded to three economists who have shown that innovation driven by science and technology has been the major reason for the sustained growth the world has seen for the last 200 years. Former Italian prime minister Mario Draghi has pointed out that the main difference between EU and US productivity growth over the last 20 years has been America's success in developing new technologies. To sustain growth for the next 200 years, it is vital that innovation is enabled to succeed innovation. We play a part in that.

I would like to thank you, our shareholders, for your continued support this year. Although market conditions remain difficult to predict, I am confident the quality of our portfolio will eventually come through.

**Neil Crabb, Chief Executive Officer**  
7 December 2025

## **Basis for qualified audit opinion**

The Directors were unable to obtain sufficient appropriate audit evidence in respect of the valuation of certain investments, specifically those investments described as 'Stage 2' by management in Note 13 to the financial statements, which have been valued at £1.3 million as at 30 June 2025 in the Group's Consolidated Statement of Financial Position and the Parent Company's Statement of Financial Position. Therefore, the external auditor was unable to obtain sufficient, appropriate audit evidence in respect of the valuation of these investments as at 30 June 2025. The external auditor was also unable to perform alternative procedures to satisfy themselves concerning the valuation of the £1.3 million Stage 2 investments held by the Group and Parent Company as at 30 June 2025. Consequently, the external auditor was unable to determine whether any adjustment was necessary to these amounts as at 30 June 2025 or whether there was any consequential effect on the Group and Parent Company's other comprehensive income for the year ended 30 June 2025.

In addition, the external auditor refers to their audit opinion for the year ended 30 June 2024 was also qualified because we were unable to obtain sufficient appropriate audit evidence in respect of the valuation of £1.2 million of 'Stage 2' investments held by the Group and Company as at 30 June 2023 and consequently were unable to determine whether there was any consequential effect on the Group and Parent Company's other comprehensive income for the year ended 30 June 2024. Their audit opinion on the financial statements for the year ended 30 June 2024 was qualified accordingly. The valuation of £1.3 million of 'Stage 2' investments held by the Group and Company as at 30 June 2024 was not material and hence the external auditor's opinion on the Statement of financial position as at 30 June 2024 was consequently not qualified in this respect. Their opinion on the current year's financial statements is also qualified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

## **Material uncertainty related to going concern**

The Company is a holding entity and as such its going concern is dependent on the Group therefore the going concern assessment for the Company was performed as part of the Group's assessment.

The Group's strategy is to develop a growing portfolio of spin out companies that will provide cash inflows through realisation of investments. In assessing the going concern, the Directors considered the Group's cash requirements over the three years to 30 June 2028. The forecast included operating activities, including in relation to South Cambridge Science Centre, and known near term purchase of investments. It did not include cash from the purchase of unplanned investments. The analysis showed that as at 30 June 2025 the Group had insufficient cash to cover its operating expenditure for the 12 months from the date of signing of these financial statements. However, the Directors intend to realise further cash through a combination of the potential issue of ordinary shares, borrowing and subleases of its property asset, which they reasonably expect will provide the Group with sufficient cash to cover its operating expenditure for this period. The Directors also expect that these funding options will, where appropriate, assist the Group in supporting portfolio companies during this period. The Group and the Company are reliant on additional funding for which the timing and amount are not guaranteed.

Based on the above, this indicates the existence of a material uncertainty which may cast significant doubt over the Group and Company's ability to continue as a going concern and managements plan to deal with these events or conditions and therefore, they may be unable to realise their assets and discharge their liabilities in the ordinary course of business.

The Directors have a reasonable expectation that the funding will be forthcoming. Consequently, the Directors continue to adopt the going concern basis in preparing the Group and Company's financial statements.

These financial statements do not contain any adjustments that may arise if they were not drawn up on a going concern basis.

The financial statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

## **Key Performance Indicators and Alternative Performance Measures**

The Key Performance Indicators and Alternative Performance Measures for the Group are:

The Key Performance Indicators and Alternative Performance Measures for the Group are:

KPI / APM	Description	2025 Performance
Basic earnings per share (KPI)	Profit or loss attributable to shareholders divided by the weighted average number of shares in issue during the year.	Loss of 10.08p (2024: loss of 2.01p)
Net assets per share (KPI)	Value of the Group's assets less the value of its liabilities per share outstanding	61.0p (2024: 79.7p)
Total revenue and other operating income (KPI)	Growth in the aggregate of revenue from services, change in fair value of investments and realised profit on disposal of investments	Negative income of £2,716,000 (2024: positive income of £1,889,000)
Profit before tax (KPI)	Profit or loss before tax for the year	Loss of £6,344,000 (2024: loss of £1,337,000)
Total initial equity in new portfolio companies (APM) Note 1	Aggregate percentage equity earned from new portfolio companies during the year	nil(2024:32.8%)

Note 1 - The total initial equity in portfolio companies is not an IFRS measure. It is used by Directors to measure the total percentage equity stakes received in all new spin-out companies during the year. It does not reflect holdings in individual spin-outs and does not include equity received through post spin-out investment. For 2024 it is the aggregate percentage holding from one new spin-out company during the year. There were no new portfolio companies added in 2025.

The Group did not meet any of the Key Performance Indicators or Alternative Performance Measures during the year, reflective of the prevailing market conditions.

Net assets per share decreased to 61.0p (2024: 79.7p) reflecting a loss after tax of £6,344,000. The value of the Group's equity investments remained in line with prior year at £33,407,000 (2024: £33,203,000) This result includes an unrealised loss on the revaluation of equity and debt investments combined of £3,041,000 (2024: gain of £1,282,000) and reflects a decrease in services revenue to £325,000 (2024: £358,000). Administrative expenses of £3,456,000 (2024: £3,508,000) decreased modestly compared to prior year reflecting the continued focus by management on cost efficiency.

During the year, the Board reviewed its current Key Performance Indicators & Alternative Performance Measures and considered these to continue to be appropriate.

However, the Board approved an additional Alternative Performance Measure with a specific focus on sustainability:

Percentage of Portfolio Companies Licensing and/or Selling Technologies which align with UN SDGs (APM)

This measure was implemented for the year beginning 1<sup>st</sup> July 2025 and performance against this measure will be reported in the Group's Annual Report for year ended 30<sup>th</sup> June 2026.

## Frontier IP and the United Nations Sustainable Development Goals

Frontier IP's purpose is to create high value businesses from intellectual property developed by universities, academics, scientists and engineers.

Science and technology are vital to solving some of the most pressing problems the world faces today.



There is global focus by governments and industry on issues such as climate change — in particular, the move to net zero — health, the environment and making the most efficient use of resources. Opportunities lie for technology companies in contributing to addressing these issues for the benefit of all.

Our strengths are to identify promising intellectual property and to oversee its commercial development with direct, hands-on support with validation and scale up. Most often we work in collaboration with industrial partners who understand market needs and demands, and who have stated their commitments to sustainability.

Our portfolio is a mix of pioneering companies with the potential to have big societal and environmental impacts. Many are at an early stage, however, and the extent and success of these impacts will only become evident over time.

There are two approaches to current environmental, social and governance reporting. There is the reactive, where the focus is on mitigating existing impacts, such as offsetting carbon emissions, and the proactive, where the emphasis is on opportunity for investment in new technologies for the future. We are very much focused on the latter. Frontier IP Group itself has minimal impact. We employ 18 people working from serviced offices in Cambridge and Lisbon.

To reflect the forward-looking nature of our business, we have decided to screen, evaluate and monitor portfolio companies by aligning them to the United Nations Sustainable Development Goals (UN SDGs). The UN developed the 17 goals to form the core of its 2030 Agenda for Sustainable Development, adopted by all UN member states, including the United Kingdom, in 2015. They are designed to provide a blueprint for a sustainable future and balance social, environmental and economic concerns.

We have conducted a mapping exercise of the Group and its portfolio companies against the goals. There are two aspects to the mapping: first at a Group level, representing the cumulative impact of activity across our portfolio; second at the level of each portfolio company. We expect this to evolve over time, as our companies mature.

At the Group level we align to six goals, reflecting a focus on sustainable technologies in each of our clusters:

- SDG 3: ensure healthy lives and promote well-being for all at all ages. Companies within our portfolio are developing technologies directly designed to prevent or treat a wide range of communicable and non-communicable diseases, while others have an indirect impact through their efforts to improve nutrition, sanitation and water treatment.
- SDG 5: achieve gender equality and empower all women and girls. We continue to be committed to equal opportunities when it comes to recruitment, appointing and development. At the year-end, around 50 per cent of our team were women and women were represented at all levels within the Group.
- SDG 8: promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Within the Group, our success strongly depends on attracting and retaining skilled people. Our employee turnover is extremely low, and our incentives and rewards are available at all levels within the business. Looking outward, we aim to encourage such behaviour in our portfolio and our business model is designed to support productive activities, high value job creation, entrepreneurship, creativity and innovation, and encourage the formation and growth of successful companies.
- SDG 9: build resilient infrastructure, promote sustainable industrialisation and foster innovation. This is at the heart of what we do. We are currently working with 18 portfolio companies and across two projects with the potential for significant growth and positive societal or environmental impact.
- SDG 12: ensure sustainable production and consumption patterns. Seven of our portfolio companies are developing technologies directly involved in this goal, which maps to our Innovative Materials, Food and Agritech, and AI clusters.
- SDG 13: take urgent action to combat climate change and its impact. Pulsiv is developing technology

that reduces the energy consumed by a very wide range of devices by 80 per cent or more, reducing stress on electricity grids and improving the viability of renewable sources. Other companies in the portfolio are working on technologies to reduce the energy consumed by telecoms networks, improve agricultural efficiency (and, potentially, meat dependency), and improve logistics and industrial process efficiency. Eight of our portfolio companies and projects directly contribute to this goal and aligned to the Group's focus on AI, Innovative Materials, and Food and Agritech.

To find out how individual portfolio companies align to the goals, please see the relevant company in the following portfolio overview.

## Operational Review

Frontier IP launched a major strategic development during the period. The Group announced plans to create a new innovation hub, SC<sup>2</sup>, in the South Cambridge Science Centre, one of Cambridge's most advanced facilities dedicated to science and technology, developed by strategic partner Abstract Securities. Abstract paid Frontier £1 million for becoming an anchor tenant and will provide the space rent free for the first 12 months. Frontier IP plans to sublet the space to portfolio companies and other innovative start ups and early-stage businesses.

The innovation hub will reduce the Group's dependency on exits, and provide the potential to generate positive cash flows and to leverage the balance sheet. It will also enable Frontier IP to strengthen its presence at the heart of the Cambridge science and technology ecosystem and, by extension, within the UK's innovation golden triangle of Cambridge, Oxford and London.

The Group also raised £3.6 million through a placing and retail offer to provide working capital and for selective support to portfolio companies.

Post-period end two executive directors announced their intention to leave the Group to pursue other opportunities. Chief Commercialisation Officer Matthew White is to become Chief Executive Officer of an early-stage medical devices company, while Chief Financial Officer Jo Stent is to join a private equity-backed specialist financial services provider.

## Portfolio Review

Frontier IP strives to develop and maximise value from its portfolio. We do so by taking founding stakes in companies at incorporation and then working in long-term partnerships with shareholders, academic and industry partners.

Companies made good technical and commercial progress, attracting support from major backers at home and abroad. Five companies raised money during the year via equity funding rounds, convertible loans, grants, or a combination of the three, despite a difficult funding environment.

As part of our sustainability agenda, we have mapped our portfolio companies to relevant [United Nations Sustainability Development Goals \(UN SDGs\)](#). All equity holdings are as at 30 June 2025.

### 2D Photonics: Frontier IP stake 9.1 per cent

2D Photonics was established during the year to own and manage CamGraPhIC's activities in the UK and Italy. The company is developing advanced graphene photonics with the potential to transform Artificial Intelligence and mobile communications by cutting costs, improving energy efficiency and increasing speeds. Prototype transceivers have outperformed current silicon photonics technology and will consume 80 per cent less energy. There are potential applications in other major sectors.

During the year, the company raised €25 million in a Series A funding round for its wholly-owned Italian subsidiary CamGraPhIC Srl to accelerate development and scale up of its technology, including development of a pilot manufacturing plant.

The round was backed by major governmental, industry and financial institutions, clearly demonstrating the potential of the technology. These were CDP Venture Capital, the Nato Innovation Fund, the Sony Innovation Fund, Join Capital, a Berlin-based investor in early-stage deep technology firms, Bosch Ventures, the corporate venture arm of Bosch Group, and Indaco Ventures, Italy's largest venture capital company.

UN SDG mapping: SDG 9, industry, innovation and infrastructure, SDG 11, sustainable cities and infrastructure

### Alusid: Frontier IP stake: 35.4 per cent

Alusid creates premium-quality tiles, tabletops and other surfaces from sustained able materials made by recycling industrial waste, most of which would otherwise be sent to high-impact landfill. The company's tiles can be mass manufactured on industry-standard factory equipment, yet use much less energy than conventional tiles: its Mee floor tiles, for example, are made from up to 98.5 per cent

energy than conventional tiles. Its Mas floor tiles, for example, are made from up to 90.5 per cent recycled content, use 51 per cent less energy during manufacture and 44 per cent less water.

During the year, the company signed two international distribution agreements and launched a second range, Mas, through Topps Tiles Plc's UK retail chain. The first international agreement is with Dutch sustainable building materials firm FRONT Materials BV, which will have exclusive rights to distribute Alusid's tile ranges in the Netherlands, and in the rest of Europe and the US on a non-exclusive basis. The second agreement is with 3D Wall Panels Italia, a leading supplier based in Milan, who will provide commercial distribution across Italy. Post-period end, the Company signed a third distribution agreement with one of Sweden's largest tile distributors, Kakelspecialisten, a subsidiary of Saint-Gobain.

UN Sustainable Development Goal mapping: SDG 9, industry, innovation and infrastructure; SDG 12, responsible consumption and production.

#### **Amprologix: Frontier IP stake: 10.7 per cent**

Amprologix was created to commercialise the work of Mathew Upton, Professor of Medical Microbiology at Plymouth's Institute of Translational and Stratified Medicine.

The company continued to make progress with development of its new family of antibiotics based epidermicin, which is derived from bacteria found on human skin, to tackle antimicrobial-resistant MRSA and other superbugs.

Antimicrobial Resistance is deemed one of the major risks to global health by the World Health Organisation. During the year, a political declaration at the United Nations General Assembly set a series of targets to reduce deaths from resistant bacteria. After the year end, Amprologix successfully raised £740,000 in an equity funding round. Investors included Plutus Investments, an institutional investor and angel investors.

UN SDG mapping: SDG 3, good health and well-being

#### **AqualnSilico: Frontier IP stake: 29.0 per cent**

AqualnSilico is developing sophisticated software tools able to understand and predict how biological and chemical processes unfold in different operating conditions.

These can be used to optimise wastewater treatment across many industries, including municipal wastewater treatment plants, oil groups, brewers, pulp, paper and steel makers, food processing and waste recovery businesses.

The company's digital tools have been implemented by a client in Cape Verde as part of the Phos-Value project to recycle environmentally harmful nutrients as biofertilisers and improve water quality. The project was supported by the United Nations Development Program. During the year, the company commercially launched UPWATER® wastewater management technology and is now providing services to clients such as Bondalti Water, Copam and ETSA.

UN SDG mapping: SDG 6, clean water and sanitation, SDG 12, responsible consumption and production, SDG 14, life below water

#### **Cambridge Raman Imaging: Frontier IP stake: 25.4 per cent**

Cambridge Raman Imaging is developing advanced Raman imaging technology based on ultra-fast fibre lasers able to generate high-quality digital images in near real time. Initial applications are for use in medicine to detect and monitor cancerous tumours in human tissue and cells. Advanced artificial intelligence analyses the results to make diagnosis even faster and more accurate. Tests have shown that tumours can be detected before they can be seen by the human eye.

The company's technology has been backed by grants supporting two prestigious pan-European projects and launched commercially. Sales are strong, and CRI is exploring other applications of the technology, both for further medical applications, and more broadly across industry in sectors such as semiconductors, batteries, environment and food.

UN SDG mapping: SDG 3 good health and well-being

#### **Celerum: Frontier IP stake: 33.8 per cent**

Celerum is developing novel artificial intelligence to improve the operational efficiency of logistics and supply chains.

The company's technology uses specialist algorithms based on nature-inspired computing, software and algorithms based on natural processes and behaviours.

During the year, Celerum added new customers following its success in attracting a first cross-border client, Grampian Continental, in the prior year, and continued to develop more sophisticated versions of the software to meet the needs of further customers.

UN SDG mapping: SDG 9, industry, innovation and infrastructure

#### **Dekiln: Frontier IP stake: 24.8 per cent**

Dekiln (the trading name of Deakin Bio-Hybrid Materials) makes advanced bio-based materials as sustainable alternatives to ceramics using novel ultra-low energy processes. Its lead product, Eralith, which is used to make tiles, is made from more than 95 per cent recycled material and a 94 per cent lower CO<sub>2</sub> footprint than conventional tiles.

During the year, an oversubscribed initial equity funding round, led by Green Angel Ventures, raised £693,000 and valued the company at £2.69 million. Post-period end, Dekiln completed its first commercial installation at a Sustainable Ventures workspace in Manchester and moved into bigger premises as it began to scale up from lab-based batch production to pilot mass production techniques. This work is being supported by the Henry Royce Institute via the Royce Industrial Collaboration Programme and the Centre for Process Innovation.

UN Sustainable Development Goal mapping: SDG 9, industry, innovation and infrastructure; SDG 12, responsible consumption and production.

**Des Solutio: Frontier IP stake: 25.0 per cent**

Des Solutio is developing safer and greener alternatives to the toxic solvents currently used to extract active ingredients by the pharmaceutical, personal care, household goods and food industries.

It does this through the use of Natural Deep Eutectic Solvents. These are combinations of naturally occurring (often plant based) sugars, acids, alcohols and amino acids that can be used as safe solvents. These new green solvents can be used to replace toxic organic solvents used in conventional processing, such as ethanol, employed currently. This means it is contributing to the environmentally sound management of chemicals, and reducing their release to air, water and soil.

Des Solutio made strong technical progress during the year and is working with global cosmetic manufacturers to develop new products based on Deep Eutectic Solvents. The company is also focused on the commercial launch of its own portfolio of botanical extracts for the cosmetics industry.

UN SDG mapping: SDG 9 industry, innovation and infrastructure; SDG 12, responsible consumption and production.

**DiaGen AI: Frontier IP stake: 4.15 per cent**

DiaGen AI is a Canadian company focused on AI-driven protein and peptide design for medical applications. The Group earned the state in DiaGen, formerly known Proteic Bioscience, in return for advisory services.

DiaGen was founded in 2021 to develop an AI-engine for protein design, drug discovery and diagnostics for health, wellness, longevity and precision medicine.

UN SDG mapping: SDG 3 good health and well-being

**Elute Intelligence: Frontier IP stake: 40 per cent**

Elute's software tools are designed to help users intelligently search, compare and analyse massive quantities of complex documents. There are a huge range of potential applications, from scoring patent portfolios and comparing contracts, to detecting evidence of plagiarism, collusion and copyright infringement.

During the year the company achieved significant development milestones and began beta testing of Insights IDS, its patent-based investment decision-support platform, which is now analysing over 140 million patents globally. Beta trials have been launched with selected investment houses, and the company has engaged with institutions to explore integration into investment research workflows.

UCAS renewed a five year licence of Elute's plagiarism-detecting software CopyCatch, maintaining recurring revenue and supporting R&D investment. The software will assess up to four million student applications across the period. Elute also strengthened IP assets and data infrastructure to support future scaling and potential commercial rollout.

UN SDG mapping: SDG 9, industry, innovation and infrastructure

**Fieldwork Robotics: Frontier IP stake: 18.2 per cent**

Fieldwork Robotics is developing agricultural robots for fruit and vegetable harvesting, with an initial focus on raspberry picking.

During the year, the company launched Fieldworker 1, an updated harvesting robot, and entered a collaboration with Costa Group, Australia's leading producer of fresh fruit and vegetables. The company also entered a collaboration with Burro, a manufacturer of autonomous and collaborative mobile robot platforms. Fieldwork is seeing strong traction with a growing customer pipeline in Australia, USA and Portugal.

UN SDG mapping: SDG 2, zero hunger; SDG 12 responsible consumption and production

**GraphEnergyTech: Frontier IP stake 23.97 per cent**

GraphEnergyTech is developing high-conductivity graphene inks for use across a range of applications, one of which could help save global silver reserves from exhaustion by 2050.

The inks' initial target applications are for use in graphene electrodes to replace expensive silver electrodes in solar cells. GraphEnergyTech's electrodes are 22 per cent cheaper than silver at pilot stage with further reductions expected as the technology is scaled up. Other applications for the technology include batteries, super capacitors, LED lighting and displays. Using graphene inks will also reduce the environmentally damaging extraction of metals, including the use of mercury and cyanide

During the year, the company raised £1 million through an investment round led by Aramco Ventures, the corporate venturing arm of Aramco, a leading global integrated energy and chemicals company. The company also entered a collaboration with the Taiwan Perovskite Solar Corporation, Taiwan's Industrial Technology Research Institute and the University of Cambridge to drive development of the next generation of solar technology. The project has been awarded a grant of nearly £900,000 by Innovate UK, with GraphEnergyTech's technology holding the potential to be a key enabler for perovskite solar cells, which struggle with metal electrodes.

UN SDG mapping: UN SDG 7 affordable and clean energy, UN SDG 9, industry, innovation and infrastructure,

**InSignals Neurotech: Frontier IP stake: 32.9 per cent**

InSignals Neurotech continues to make progress with its novel technology to analyse the motor symptoms of Parkinson's disease and other neurological disorders.

The company is developing wireless devices to measure motor symptoms, such as wrist rigidity, in real time to help surgeons and neurologists assess the extent of the disease. Initial prototypes were designed to help identify the best locations to place implants in the brain. However, an improved version can now be used to monitor symptoms more broadly for disease tracking and to understand better how patients are responding to treatment.

During the year, the company secured a PRR Green Vouchers €30,000 grant to start developing a digital health app aimed at supporting patients with Parkinson's Disease.

The spin out from the Portuguese Institute for Systems and Computer Engineering, Technology and Science ("INESC TEC"), with the support of São João University Hospital, part of the University of Porto.

UN SDG mapping: SDG 3 good health and well-being

**Molendotech: Frontier IP stake: 9.5 per cent**

Molendotech has developed Bacterisk+, a proprietary screening test for faecal contamination in water. The tests, which can be used on site, cuts testing times from up to two days to under 30 minutes because samples do not need to be sent to a laboratory, enabling environmental agencies and other authorities to assess water quality swiftly. The product was commercially launched during the prior year and has been selling steadily. It being used to screen marine bathing waters, inland recreational waters, irrigation water and food process water.

The company has also developed a test to detect specific bacterial strains, including pathogens, for use in the food industry, animal feeds, veterinary practices and ballast waters.

UN SDG mapping: SDG 6, clean water and sanitation; SDG 12 responsible consumption and production

**Nandi Proteins: Frontier IP stake: 19.7 per cent**

Nandi Proteins signed a commercial licensing agreement with a global food ingredients group in the year to June 2024 to make Nandi's meat and fat replacement products. The first production facility to produce the meat replacer was commissioned by Nandi's partner and the partner is now awaiting customer commitments.

The meat / fat replacer is one of several high volume applications to replace ingredients in processed foods. During the year, the company secured investment from Nesta Impact Investments, the investment arm of UK social innovation agency Nesta, and Scottish Enterprise, as part of a £500,000 investment made via a convertible loan.

Post- period end Nandi converted several loans to equity and has taken steps to streamline operations to preserve cash until royalty income is generated.

UN SDG mapping: SDG 2, end hunger; SDG 12, responsible consumption and production

**Plastometrex: Frontier IP stake: 0.4 per cent**

The Group holds a small equity stake in Plastometrex, a University of Cambridge spin out focused on developing mechanical testing systems for metal materials. The company has wide range of industry partners, including Airbus, Babcock and Nasa.

SDG 9: build resilient infrastructure, promote sustainable industrialisation and foster innovation

**Pulsiv: Frontier IP stake: 17.3 per cent**

Pulsiv has developed and patented innovative technology to intelligently manage electrical power wherever it is converted, either from grid to devices, or devices to grid. The company has built out a global distribution network and is now in advanced discussions with potential customers.

During the year, the company launched a 65 Watt USB-C fast charger reference design. The charger operates at 96 per cent efficiency, believed to be a world best, which means only 4 per cent is lost through heat. The company is targeting applications where space and heat sensitivity are an issue, with initial markets being in-wall plug sockets that incorporate USB-C charging. The 65 Watt USB-C fast charger reference design subsequently won the first Global Energy Efficiency Award overseen by leading trade body the Power Sources Manufacturers Association.

Post-period end, the company signed a global stock agreement for the reference design with distribution giants Farnell. Pulsiv's technology has very applicability across the power industry, from consumer devices to heavyweight industrial applications and solar.

UN SDG mapping: SDG 7, affordable and clean energy; SDG 13, climate action

**The Vaccine Group: Frontier IP stake: 16.95 per cent**

The Vaccine Group continued to make good progress in developing its strong pipeline of innovative vaccines for use in livestock, pets and wildlife, in forging relationships with government and industrial partners, and in raising funds.

A project led by TVG, the University of Plymouth and the University of Cambridge was awarded more than £1 million by the UK Department for Environment, Food & Rural Affairs. The project aims to develop a vaccine against pig diseases *Streptococcus suis*. *S.suis* is widespread, harmful and zoonotic. It can jump from pigs to humans, in whom it can cause meningitis, septicaemia and other symptoms. The company also won a £400,000 Innovate UK Smart Grant to develop vaccines for bovine respiratory syncytial virus (BRSV) and lumpy skin disease. It also signed an option to license agreement with global animal health group Syva for a *S.suis* vaccine.

Post period-end, the company announced that its two vaccine candidates to tackle BRSV demonstrated outstanding success in preventing the disease in trials conducted by the UK government's Animal and Plant Health Agency. BRSV costs British farmers £54 million a year, while the cost globally is estimated at £5.6 billion.

UN SDG mapping: SDG 2, end hunger; SDG 3 good health and well-being.

Core Portfolio Summary at 30 June 2025

Portfolio Company	% Issued Share Capital	About	Source
Alusid Limited	35.4%	Recycled materials	University of Central Lancashire
Amprologix Limited	10.7%	Novel antibiotics to tackle antimicrobial resistance	Universities of Plymouth and Manchester
AqualnSilico Lda	29.0%	Digital tools to optimise wastewater treatment	FCT Nova
Cambridge Raman Imaging Limited	25.4%	Medical imaging using ultra-fast lasers	University of Cambridge and Politecnico di Milano
2D Photonics	9.1%	Graphene-based photonics	University of Cambridge and CNIT
Celerum Limited	33.8%	Near real-time automated fleet scheduling	Robert Gordon University
Deakin Bio-Hybrid Materials Limited	24.8%	Sustainable materials made from organic waste and inorganic powders, initially as alternatives to ceramic tiles	Existing Business
Des Solutio Lda	25.0%	Green alternatives to industrial toxic solvents	FCT Nova
DiaGen AI Inc	4.15%	AI-driven protein and peptide design for drug discovery and use in health	Existing business
Elute Intelligence Holdings Limited	40.0%	Software tools able to intelligently search, compare and analyse unstructured data	Existing business
Fieldwork Robotics Limited	18.2%	Robotic harvesting technology for challenging horticultural applications	University of Plymouth
GraphEnergyTech Limited	23.97%	High conductivity graphene inks	University of Cambridge / École Polytechnique Fédérale de Lausanne
Insignals Neurotech Lda	32.9%	Wearable medical devices supporting deep brain surgery	INESC TEC
Molendotech Limited	9.5%	Rapid detection of water borne bacteria	University of Plymouth
Nandi Proteins Limited	19.7%	Food protein technology	Heriot-Watt University, Edinburgh
Plastometrex Limited	0.4%	Machines and software for high-speed testing of material yields and tensile strength	Existing Business
Pulsiv Limited	17.3%	High efficiency power conversion and solar power generation	University of Plymouth
The Vaccine Group Limited	16.95%	Herpesvirus-based vaccines for the control of bacterial and viral diseases	University of Plymouth

The Group holds equity stakes in 1 further portfolio company with nil equity value as at 30 June 2025. As at 30 June 2024, the Group held equity stakes in 3 portfolio companies with nil equity value.

## Financial Review

### Key Highlights

Losses before tax of £6,344,000 increased significantly versus prior year (2024 : £1,337,000) primarily due to unrealised losses across the equity and debt investment portfolio combined of £3,041,000 (2024 : gain of £1,282,000) in addition to operating expenses incurred of £3,456,000 (2024 : £3,508,000). Administration expenses declined modestly year on year as a result of cost efficiencies to offset the impact of inflation across most line items.

In December 2024 the Group raised net proceeds of £3,326,000 via the issue of new shares. This increase to Net Asset Value was offset by losses after tax of £6,344,000 (2024 : £1,126,000) for a net reduction in Net Asset Value of £3,018,000 as at 30 June 2025 (2024 : reduction of £765,000) Net assets per share decreased by 23% to 61.0p (2024: 79.7p) reflecting a reduction in Net Asset Value of £2,772,000 as well as the increased number of shares in issue in relation to funds raised in December 2024.

### Revenue and Other Operating Income

Services revenue decreased by 9% to £325,000 (2024: £358,000) while other operating income, comprising realised and unrealised gains on investments, reflected a loss of £3,041,000 (2024: gain of £1,531,000). There were no realised gains or losses during the year. Administrative expenses decreased to £3,456,000 (2023: £3,508,000). The Group continues to focus on cost efficiency, with operating costs modestly reduced versus prior year in spite of inflationary increases applied across most line items.

### Earnings Per Share

Basic loss per share was 10.08p (2024: loss per share of 2.01p). Diluted loss per share was 9.87p (2024: loss per share 1.96p).

### Statement of Financial Position

The principal items in the statement of financial position at 30 June 2025 are financial assets at fair value through profit and loss comprising equity investments of £33,407,000 (2024: £33,203,000) and debt investments of £3,066,000 (2024: £5,595,000). The carrying value of these items is determined by the Directors using their judgement when applying the Group's accounting policies. The matters taken into account when assessing the fair value of the portfolio companies are detailed in the accounting policy on investments. The movement during the year in equity and debt investments is detailed in notes 13 and 14 to the financial statement, respectively.

The Group had goodwill of £1,966,000 at 30 June 2025 (2024: £1,966,000). The considerations taken into account by the Directors when reviewing the carrying value of goodwill are detailed in Note 10 to the financial statements.

The Group had net current assets at 30 June 2025 of £4,286,000 (2024: £3,994,000) The net current assets at 30 June 2025 include trade receivables of £1,218,000 (2024 : £940,000) which are more than 90 days overdue. The portfolio company debtors are in the process of raising funds and the directors are confident that the amounts due to the company will be paid.

The Group has reflected the initial recognition of the South Cambridge Science Centre lease in line with the provisions of IFRS 16 which has introduced a Right of Use Asset (£11m) as well as a short term lease liability of £0.3m and a long term lease liability of £11.8m in the balance sheet as at 30 June 2025.

### Net assets per share

Net assets of the Group decreased to £42,003,000 at 30 June 2025 (30 June 2024: £44,773,000) resulting in net assets per share of 61.0p (30 June 2024: 79.7p).

### Cash

The Group's cash balances increased during the year by £286,000 to £2,584,000 at 30 June 2025. Operating activities consumed £3,482,000 (2024: £2,811,000). Investing activities generated a total of £453,000 including £1,000,000 on signing the lease for the South Cambridge Science Centre (2024 : £370,000); and financing activities generated £3,326,000 through the issue of shares.

## **Principal Risks and Challenges affecting the Group**

The specific financial risks of price risk, interest rate risk, credit risk and liquidity risk are discussed in note 1 to the financial statements. The principal broader risks - financial, operational, cash flow and personnel - are considered below.

The key financial risk in our business model is the inability to realise sufficient income through the sale of our holdings in portfolio companies to cover operating costs and investment capital. The other principal financial risk of the business is a fall in the value of the Group's portfolio. With regards to the value of the portfolio itself, the fair value of each portfolio company represents the best estimate at a point in time and is subject to significant estimation risk. As such, the fair values may change significantly in subsequent years thereby directly impacting the Group's value and profitability. This risk is partly mitigated as the number of companies in the portfolio increases. The Group continues to pursue its aim of actively seeking realisation opportunities within its portfolio to reduce the requirement for additional capital raising.

The principal operational risk of the business is management's ability to continue to identify spin out companies from its formal and informal university relationships, to increase the revenue streams that will generate cash in the short term and to achieve realisations from the portfolio.

Early-stage companies are particularly sensitive to downturns in the economic environment. There are currently several areas of concern that could affect the UK and wider global markets and economy. Global risks include the continuing war in Ukraine and conflict and instability in the middle east. The impact of both, particularly the dangers of escalation, on geopolitics, economically and on markets, is uncertain and difficult to predict.

Any economic downturn would mean considerable uncertainty in capital markets, resulting in a lower level of funding activity for such companies and a less favourable exit environment. The impact of this may be to constrain the growth and value of the Group's portfolio and to reduce the potential for revenue from advisory work. The Group seeks to mitigate these risks by maintaining a strong balance sheet, relationships with co-investors, industry partners and financial institutions, as well as controlling the cash burn rate in portfolio companies.

Changes to the basis on which IP is licensed in the Higher Education sector might lead to reduced opportunity or a need to vary the business model. Any uncertainty in the sector may have an impact on the operation of the Group's commercialisation partnerships in terms of lower levels of intellectual property generation and therefore commercialisation activity. The Group seeks to mitigate these risks by continuing to seek new sources of IP from a wide range of institutions both within and outside of the UK.

The Group is dependent on its executive team for its success and there can be no assurance that it will be able to retain the services of key personnel. This risk is mitigated by the Group through recruiting additional skilled personnel and ensuring that the Group's reward and incentive framework aids our ability to recruit and retain key personnel. Post the year end, we announced the departure of two Directors and members of the executive team, both of whom are subject to six-month notice periods; successor recruitment is underway.

After making appropriate enquiries, the Directors consider that it remains appropriate to adopt the going concern basis in preparing the financial statements. In assessing the going concern, the Directors considered the Group's cash requirements over the three years to 30 June 2028. The forecast included operating activities, including in relation to South Cambridge Science Centre, and known near term purchase of investments. It did not include cash from the purchase of unplanned investments. The analysis showed that as at 30 June 2025 the Group had insufficient cash to cover its operating expenditure for the 12 months from the date of signing of these financial statements. However, the Directors intend to realise further cash through a combination of the potential issue of ordinary shares, borrowing and subleases of its property asset, which they reasonably expect will provide the Group with sufficient cash to cover its operating expenditure for this period. The Directors also expect that these funding options will, where appropriate, assist the Group in supporting portfolio companies during this period. The Group and the Company are reliant on additional funding for which the timing and amount are not guaranteed.

Based on the above, this indicates the existence of a material uncertainty which may cast significant doubt over the Group and Company's ability to continue as a going concern and managements plan to deal with these events or conditions and therefore, they may be unable to realise their assets and



discharge their liabilities in the ordinary course of business.

The Directors have a reasonable expectation that the funding will be forthcoming. Consequently, the Directors continue to adopt the going concern basis in preparing the Group and Company's financial statements.

These financial statements do not contain any adjustments that may arise if they were not drawn up on a going concern basis.

## **By order of the Board**

**Neil Crabb**

**Director**

7 December 2025

## **Audit Committee Report**

### **Key Responsibilities**

The Audit Committee's terms of reference are available on the Group's website. The Committee is required, amongst other things, to:

- monitor the integrity of the financial statements of the Group, reviewing significant financial reporting issues and the judgements they contain;
- review and challenge where necessary the accounting policies used, the application of accounting standards and the clarity of disclosure in the financial statements;
- keep under review the effectiveness of the Group's internal controls and risk management systems; and
- oversee the relationship with the external auditor, reviewing their performance and advising the Board on their appointment and remuneration.

### **Committee Governance**

At 30 June 2025 the Audit Committee comprised the three non-executive directors, chaired by David Holdbrook. It meets a minimum of two times per year with the external auditors present. In addition, executive directors may be asked to attend.

### **Activities of the Audit Committee during the year**

The Committee met on two occasions during the year under review and up to the date of this Annual Report with all members present and the external auditors in attendance. The main areas covered by the Committee are outlined below:

#### *Internal controls and risk management*

The Board has overall responsibility for internal controls and risk management. As the Board's three non-executive directors were also the Committee members during the year, the Group's risk analysis and controls policy was reviewed and updated by the Board. Further details of business risks identified can be found in Key Risks and Challenges Affecting the Group. The risk management process is continually being developed and improved.

#### *Significant estimates and judgements*

The focus at the Committee meetings was on the significant estimates, assumptions and judgements used in the financial statements in arriving at the value of investments, reviewing goodwill for impairment and assessing the recoverability of amounts owed to the Group by portfolio companies. The Committee was satisfied that such estimates, assumptions and judgements used were reasonable and appropriate.

Details of critical accounting estimates and assumptions and of critical accounting judgements can be found in Note 2 to the Financial Statements.

#### *External audit*

The external auditor reports to the Committee on actions taken to comply with professional and regulatory requirements and is required to rotate the lead audit partner every five years. BDO LLP were first appointed as external auditor in FY19 following their merger with Moore Stephens LLP who were the external auditor in place since FY15 following their merger with Chantrey Vellacott DFK LLP who were first appointed in FY08. Timothy West was appointed lead partner in FY17. Chris Meyrick was appointed lead partner in FY22. Gary Fensom was appointed lead partner in FY25. The Committee has confirmed it is satisfied with the independence, objectivity and effectiveness of BDO LLP and has recommended to the Board that the auditors be reappointed, and there will be a resolution to this effect at the forthcoming Annual General Meeting. In addition to their statutory duties, BDO LLP are also engaged to provide non-audit services where it is felt their knowledge of the business best places them to provide those services, such as review of the interim results, and where these non-audit services are permitted under the Financial Reporting Council's ethical guidelines. No such non-audit services were provided during the year.

#### **Basis for qualified audit opinion**

As noted in the external auditor's report, the Directors were unable to obtain sufficient appropriate audit evidence in respect of the valuation of certain investments, specifically those investments described as 'Stage 2' by management in Note 13 to the financial statements, which have been valued at £1.3 million as at 30 June 2025 in the Group's Consolidated Statement of Financial Position and the Parent Company's Statement of Financial Position. Therefore, the external auditor was unable to obtain sufficient, appropriate audit evidence in respect of the valuation of these investments as at 30 June 2025. The external auditor was also unable to perform alternative procedures to satisfy themselves concerning the valuation of the £1.3 million Stage 2 investments held by the Group and Parent Company as at 30 June 2025. Consequently, the external auditor was unable to determine whether any adjustment was necessary to these amounts as at 30 June 2025 or whether there was any consequential effect on the Group and Parent Company's other comprehensive income for the year ended 30 June 2025.

The external auditor's report also highlights that for the year ended 30 June 2024 their opinion was also qualified because they were unable to obtain sufficient appropriate audit evidence in respect of the valuation of £1.2 million of 'Stage 2' investments held by the Group and Company as at 30 June 2023 and consequently were unable to determine whether there was any consequential effect on the Group and Parent Company's other comprehensive income for the year ended 30 June 2024. Their audit opinion on the financial statements for the year ended 30 June 2024 was qualified accordingly. The valuation of £1.3 million of 'Stage 2' investments held by the Group and Company as at 30 June 2024 was not material and hence the external auditor's opinion on the Statement of financial position as at 30 June 2024 was consequently not qualified in this respect. Their opinion on the current year's financial statements is also qualified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

**David Holbrook**  
**Chair of the Audit Committee**

7 December 2025

#### **Nominations Committee**

The Nominations Committee comprises the whole Board and meetings are convened as required.

Key duties of the Nomination Committee include:

regularly review the structure, size and composition (including the skills, knowledge, experience

and diversity) of the Board and make recommendations to the Board with regard to any changes

give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the Board in the future

be responsible for identifying and nominating for the approval of the Board potential candidates for board positions

implement and review the results of the Board performance evaluation process

approve any changes to a director's role.

The Board reviewed its succession planning arrangements during the year and implemented a Succession Planning Framework. Further detail on this framework is set out in the Corporate Governance Report.

The Board has overall responsibility for the Board Succession Plan, the primary objectives of which are set out in our Corporate Governance Report.

Nominations Committee Terms of Reference are available on the Company's website.

## Consolidated Statement of Comprehensive Income

For the year ended 30 June 2025

	Notes	2025 £'000	2024 £'000
<b>Revenue</b>			
Revenue from services	3	325	358
<b>Other operating income</b>			
Unrealised (loss)/profit on the revaluation of investments	13,14	(3,041)	1,282
Realised (loss)/profit on disposal of investments		0	249
		<b>(2,716)</b>	1,889
Administrative expenses	5	(3,456)	(3,508)
Share based payments		(247)	(225)
Interest income on debt investments		98	409
Other income		3	36
<b>Loss from operations</b>		<b>(6,318)</b>	(1,399)
Interest income on short term deposits		33	62
Interest payable on building lease		(59)	
<b>Loss from operations and before tax</b>		<b>(6,344)</b>	(1,337)
Taxation	7	-	211
<b>Loss and total comprehensive expense attributable to the equity holders of the Company</b>		<b>(6,344)</b>	(1,126)
<b>Loss per share attributable to the equity holders of the Company:</b>			
Basic loss per share	8	(10.08)p	(2.01)p
Diluted loss per share	8	(9.87)p	(1.96)p

All of the Group's activities are classed as continuing.

There was no other comprehensive income in the period (2024: nil).

## Consolidated Statement of Financial Position

At 30 June 2025

		2025	2024
	Notes	£'000	£'000
<b>Assets</b>			
<b>Non-current assets</b>			
Right-of-use Asset	21	11,027	-
Plant and Equipment	9	33	15
Goodwill	10	1,966	1,966
Equity investments	13	33,407	33,203
Debt investments	14	3,066	5,595
		<u>49,499</u>	<u>40,779</u>
<b>Current assets</b>			
Trade receivables and other current assets	15	1,776	1,629
Advances	16	546	382
Cash and cash equivalents		2,584	2,298
		<u>4,906</u>	<u>4,309</u>
<b>Total assets</b>		<u>54,405</u>	<u>45,088</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Lease liability	21	(274)	-
Trade and other payables	17	(346)	(315)
		<u>(620)</u>	<u>(315)</u>
<b>Net current assets</b>		<u>4,286</u>	<u>3,994</u>
<b>Non-current liabilities</b>			
Lease liability	21	(11,782)	-
		<u>(11,782)</u>	<u>-</u>
<b>Total liabilities</b>		<u>(12,402)</u>	<u>(315)</u>
<b>Net assets</b>		<u>42,003</u>	<u>44,773</u>
<b>Equity</b>			
Called up share capital	18	6,890	5,617
Share premium account	18	16,845	14,791
Reverse acquisition reserve	19	(1,667)	(1,667)
Share based payment reserve	19	1,684	1,437
Retained earnings	19	18,251	24,595
<b>Total equity</b>		<u>42,003</u>	<u>44,773</u>

## Company Statement of Financial Position

At 30 June 2025

	Notes	2025	2024
		£'000	£'000
<b>Assets</b>			
<b>Non-current assets</b>			
Right-of-use Asset	21	11,027	-
Investment in subsidiaries	12	2,412	2,412
Equity investments	13	31,312	31,108
Debt investments	14	1,935	4,351
Amounts receivable from group undertakings	15	520	400
		<u>47,206</u>	<u>38,271</u>
<b>Current assets</b>			
Trade receivables and other current assets	15	938	929
Advances		416	287
Cash and cash equivalents		2,526	2,290
		<u>3,880</u>	<u>3,506</u>

		5,000	5,000
<b>Total assets</b>		<b>51,086</b>	<b>41,777</b>
<b>Current liabilities</b>			
Lease liability	21	(274)	-
Trade and other payables		(179)	(161)
		<b>(453)</b>	<b>(161)</b>
<b>Net current assets</b>		<b>3,427</b>	<b>3,345</b>
<b>Non-current liabilities</b>			
Non-current lease liability	21	(11,782)	-
Amounts payable to group undertakings	17	(6,126)	(6,399)
		<b>(17,908)</b>	<b>(6,399)</b>
<b>Total liabilities</b>		<b>(18,361)</b>	<b>(6,560)</b>
<b>Net assets</b>		<b>32,725</b>	<b>35,217</b>
<b>Equity attributable to equity holders of the Company</b>			
Called up share capital	18	<b>6,890</b>	5,617
Share premium account	18	<b>16,845</b>	14,791
Share-based payment reserve	19	<b>1,684</b>	1,437
Retained earnings	19	<b>7,306</b>	13,372
<b>Total equity</b>		<b>32,725</b>	<b>35,217</b>

The Company has elected to take the exemption under section 408 of the Companies Act 2006 to not present the Company statement of comprehensive income. The total loss of the Company for the year was £6,066,000 (2024: loss of £1,095,000).

## Consolidated and Company Statements of Changes in Equity

For the year ended 30 June 2025

### Group

	Share capital	Share premium account	Reverse acquisition reserve	Share-based payment reserve	Retained earnings	Total equity attributable to equity holders of the Company
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 July 2023	5,566	14,627	(1,667)	1,291	25,721	45,538
Issue of shares	51	164	-	(79)	-	136
Share-based payments	-	-	-	225	-	225
Loss/total comprehensive expense for the year	-	-	-	-	(1,126)	(1,126)
At 30 June 2024	5,617	14,791	(1,667)	1,437	24,595	44,773
Issue of shares	1,273	2,054	-	-	-	3,327
Share-based payments	-	-	-	247	-	247
Loss/total comprehensive expense for the year	-	-	-	-	(6,344)	(6,344)
At 30 June 2025	6,890	16,845	(1,667)	1,684	18,251	42,003

### Company

Share capital	Share premium account	Share-based payment reserve	Retained earnings	Total equity attributable to equity holders of the Company
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	capital	account	reserve	earnings	equity holders of the Company £'000
	£'000	£'000	£'000	£'000	£'000
At 1 July 2023	5,566	14,627	1,291	14,467	35,951
Issue of shares	51	164	(79)	-	136
Share-based payments	-	-	225	-	225
Loss/total comprehensive expense for the year	-	-	-	(1,095)	(1,095)
At 30 June 2024	5,617	14,791	1,437	13,372	35,217
Issue of shares	1,273	2,054	-	-	3,327
Share-based payments	-	-	247	-	247
Loss/total comprehensive expense for the year	-	-	-	(6,066)	(6,066)
<b>At 30 June 2025</b>	<b>6,890</b>	<b>16,845</b>	<b>1,684</b>	<b>7,306</b>	<b>32,725</b>

The financial statements on pages 65 to 95 were approved by the Board of Directors and authorised for issue on 7 December 2025 and were signed on its behalf by:

Chief Financial Officer  
Registered number: 06262177

## Consolidated and Company Statements of Cash Flows

For the year ended 30 June 2025

	Notes	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
<b>Cash flows from operating activities</b>	22	<b>(3,494)</b>	(2,811)	<b>(3,173)</b>	(2,058)
<b>Cash flows from investing activities</b>					
Purchase of tangible fixed assets	9	(35)	(14)	-	-
Disposal of tangible fixed assets	9	12	-	-	-
Right-of-use lease asset legal fees	21	(57)	-	(57)	-
Purchase of equity investments	13	-	(68)	-	(68)
Disposal of equity investments		-	2,547	-	-
Purchase of debt investments	14	(500)	(2,157)	(500)	(1,987)
Disposal of debt investments		-	-	-	-
Lease inducement		1,000	-	1,000	-
Net amounts receivable from group undertakings		-	-	(393)	2,988
Interest income		33	62	33	55
<b>Net cash from investing activities</b>		<b>453</b>	370	<b>83</b>	988
<b>Cash flows from financing activities</b>					
Proceeds from issue of equity shares			-		
			136	3,565	136
		3,566			
Costs of share issue		(239)	-	(239)	-
<b>Net cash generated from financing activities</b>		<b>3,327</b>	136	<b>3,326</b>	136
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>286</b>	(2,305)	<b>236</b>	(934)
Cash and cash equivalents at beginning of year		<b>2,298</b>	4,603	<b>2,290</b>	3,224

Cash and cash equivalents at end of year	2,584	2,298	2,526	2,290
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## Accounting Policies

The material accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

### Basis of accounting

The financial statements of the Group and the Company have been prepared in accordance with UK adopted International Financial Reporting Standards (IFRS) and in the case of the Company financial statements, as applied in accordance with the Companies Act 2006.

The financial statements have been prepared on the historical cost basis, except where IFRS requires an alternative treatment. The principal variations from historical cost relate to financial instruments.

### Going Concern

As described in the Directors' Report, the Group's strategy is to develop a growing portfolio of spin out companies that will provide cash inflows through realisation of investments. In assessing the going concern, the Directors considered the Group's cash requirements over the three years to 30 June 2028. The forecast included operating activities, including in relation to South Cambridge Science Centre, and known near term purchase of investments. It did not include cash from the purchase of unplanned investments. The analysis showed that as at 30 June 2025 the Group had insufficient cash to cover its operating expenditure for the 12 months from the date of signing of these financial statements. However, the Directors intend to realise further cash through a combination of the potential issue of ordinary shares, borrowing and subleases of its property asset, which they reasonably expect will provide the Group with sufficient cash to cover its operating expenditure for this period. The Directors also expect that these funding options will, where appropriate, assist the Group in supporting portfolio companies during this period. The Group and the Company are reliant on additional funding for which the timing and amount are not guaranteed.

Based on the above, this indicates the existence of a material uncertainty which may cast significant doubt over the Group and Company's ability to continue as a going concern and managements plan to deal with these events or conditions and therefore, they may be unable to realise their assets and discharge their liabilities in the ordinary course of business.

The Directors have a reasonable expectation that the funding will be forthcoming. Consequently, the Directors continue to adopt the going concern basis in preparing the Group and Company's financial statements.

These financial statements do not contain any adjustments that may arise if they were not drawn up on a going concern basis.

### Changes in accounting policies

#### a) New standards, interpretations and amendments effective 1 January 2025

Amendments to IAS1: Classification of liabilities as current and non-current. Liabilities have been classed as current or non-current according to payment obligations and timescales, with no material impact on the financial statements of the Group.

#### a) New standards, interpretations and amendments not yet effective

IFRS 18, Presentation and Disclosure in Financial Statements, mandatory for reporting periods after 1 January 2027, will impact the categorisation of income and expenses, with particular regard to the

Group's future property business. The Group intends to adopt this standard when reporting for 2025-26.

IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures. The Group is aware of updates to IFRS 9 and IFRS 7 which are mandatory for financial periods from January 2026. These may affect the dates of recognition or derecognition of financial assets and liabilities in the Group accounts from the period ending June 2027 onwards.

### **Basis of consolidation**

The Group financial statements consolidate the financial statements of Frontier IP Group Plc and its subsidiary undertakings. Subsidiary undertakings are consolidated using acquisition accounting from the date of control. An entity is classed as under the control of the Group when all three of the following elements are present: power over the entity, exposure, or rights to, variable returns from its involvement with the entity and the ability of the Group to use its power over the entity to affect the amount of those variable returns.

### **Segmental reporting**

The Group operates in one market sector, the commercialisation of University Intellectual Property, and primarily within the UK. The Group conducts business in Portugal, but transactions during the year were immaterial. Therefore, revenue, profit on ordinary activities before tax and net assets do not need to be analysed by segment.

### **Goodwill**

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition. Goodwill is recognised as an asset and reviewed for impairment annually. Goodwill arising on acquisition is allocated to cash-generating units. The recoverable amount of the cash-generating unit to which goodwill has been allocated is tested for impairment annually, or on such other occasions that events or changes in circumstances indicate that it might be impaired. Any impairment is recognised immediately as an expense and is not subsequently reversed.

### **Property, plant and equipment**

Owned equipment is all computer and computer-related equipment, stated at cost less depreciation and any provision for impairment. Leased assets are accounted for under IFRS 16, covered by the separate paragraph below.

### **Depreciation**

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its expected useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The rates of depreciation are as follows:

Building lease	5% per annum
Fixtures and office equipment	50% per annum
EV lease agreement	Over length of lease

### **Financial instruments**

Financial assets and financial liabilities are recognised in the Group's statement of financial position at fair value when the Group becomes a party to the contractual provisions of the instrument.

IFRS 9 divides all financial assets into two classifications - those measured at amortised cost and those measured at fair value. Where assets are measured at fair value, gains or losses are either recognised entirely in profit or loss or in other comprehensive income. Impairments are recognised on an expected loss basis. As such where there are expected to be credit losses these are



recognised in the profit and loss.

## **Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for an appropriate allowance for credit losses over the expected life of the asset. An allowance for expected credit loss is established when there is expectation that the Group will not be able to collect all amounts due. The Group applies the IFRS9 general approach to measuring expected credit loss, details of which are provided at Note 15.

## **Cash**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits and is measured at fair value.

## **Equity Investments**

Equity investments are held with a view to the ultimate realisation of capital gains and are recognised and derecognised on the trade date. They are classified as financial assets at fair value through profit and loss and are initially measured at fair value and the realised gain represents the difference between the carrying amount at the beginning of the reporting period, or the transaction price if it was purchased in the current reporting period, and the consideration received on disposal. The unrealised gain represent the difference between the carrying amount at the beginning of the period, or the transaction price if it was purchased in the current reporting period, and its carrying amount at the end of the reporting period. Gains and losses are presented through the profit or loss in the period in which they arise. Equity investments are classified as non-current assets.

The Group has interests of over 20% but these are not accounted for as associates as the Group elects to hold such investments at fair value in the statement of financial position. IAS 28 Investments in Associates and Joint Ventures does not require investments held by entities which are similar to venture capital organisations to be accounted for under the equity method where those investments are designated, upon initial recognition, as at fair value through profit and loss.

The fair value of equity investments is established in accordance with International and Private Equity and Venture Capital Valuation Guidelines ("IPEV Guidelines"). The Group uses valuation techniques that management consider appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs taking into account any discounts required for non-marketability and other risks inherent in early-stage businesses. The fair value of quoted investments is based on the bid price in an active market on the measurement date. The Group's investments are primarily in seed, start-up and early-stage companies often with no short-term earnings, revenue or positive cash flow making it difficult to assess the value of its activities and to reliably forecast cash flows. The Group normally receives its initial equity prior to any third-party funding and some companies progress without third party funding. In selecting the most appropriate valuation technique in estimating fair value the Group uses a standard valuation matrix to categorise companies. The valuation matrix is as follows:

### **1. Initial Equity**

When the Group has received its initial equity prior to transfer of IP to the portfolio company, the company is valued based on the cost of the initial equity. If advisory services are provided by the Group prior to spin out in return for its equity stake, the cost is the value of services invoiced. If no advisory services have been invoiced prior to spin out, the cost is the nominal value of the shares received.

### **2. IP Transferred**

Once the IP is transferred to the company, but prior to the company raising investment funds, the valuation is based primarily on the value attributed to the IP. The method of valuation will involve evaluating the portfolio company's progress against technical measures, including product development phases and patents. In addition, where grant funding is awarded in relation to its product development costs the value of the grant may be included in the company valuation to the extent that management is satisfied that the

company will derive commensurate economic benefit. The assessment of inputs used in valuing companies in advance of a funding round are highly subjective and accordingly caution is applied.

3. Trading Prior to Investment

When the portfolio company commences trading, the Group considers if this indicates a change in fair value. If there is evidence of value creation the Group may consider increasing the value and would seek comparable company valuations to estimate fair value.

4. Price of Recent Investment

If the company receives third party funding, the price of that investment will provide the starting point for the valuation. The Group considers whether any changes or events subsequent to the investment would indicate a change in fair value using a milestone based approach. The milestone based approach involves performing an assessment on the success of relevant milestones that were agreed at the time of investment, including inputs such as revenues, IP assessment, patents, cash burn rates, product testing phases and market traction. Any adjustment made is, whenever possible, based on objective data from the company in addition to management's judgement.

5. Other Valuation Techniques

As the company develops and generates predictable cash flows a combination of valuation techniques are applied as appropriate, such as discounted cash flow, industry specific valuation models and comparable company valuation multiples.

6. Quoted companies.

The fair value of quoted companies is based on the bid price in an active market on the measurement date.

Investment in subsidiary companies is stated at cost, which is the fair value of consideration paid, less provision for any impairment in value. If the recoverable amount of an investment in a subsidiary is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately through profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the investment in subsidiary is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years.

## **Debt investments**

Debt investments are unquoted debt instruments, are loans to portfolio companies and are valued at fair value. None of the instruments are held with a view to selling the instrument to realise a profit or loss. Instruments which are convertible to equity at a future point in time or which carry warrants to purchase equity at a future point in time are considered to be hybrid instruments containing a fixed rate debt host contract with an embedded equity derivative. The Group does not separate the embedded derivative from the host contract and the entire instrument is measured at fair value through profit or loss. The fair value of debt investments is derived by applying probability weightings to the conversion and repayment values of the debt investment plus the value of warrants. Inputs to the conversion value are the nominal value of the loan, interest to conversion, conversion discount and time to conversion. Inputs to the repayment value are the nominal value, interest to repayment and time to repayment. Both values are discounted at a rate appropriate to the portfolio company's stage of development. Where warrants are attached to a debt instrument, the fair value is determined using the Black-Scholes-Merton valuation model. Any indications of changes in the credit risk of the portfolio company borrower are considered when valuing debt investments at subsequent measurement dates.

## **Financial liabilities and equity**

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations rather than the financial instrument's legal form. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its

liabilities.

### **Trade payables**

Trade payables are not interest bearing and are stated at their amortised cost.

### **Equity instruments**

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

### **Current and deferred tax**

The charge for current tax is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is accounted for using the statement of financial position liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

### **Share options**

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares or options that will eventually vest. The corresponding credit is recognized in retained earnings within total equity. Fair value is measured using the Black-Scholes-Merton pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

### **Revenue recognition**

The Group's revenue streams are recognised in accordance with IFRS 15. The Group applies IFRS 15 to each of its revenue streams analysing its nature, the timing of satisfaction of performance obligations and any significant payments terms.

Fees for services provided by the Group are measured at the fair value of the consideration received or receivable, net of value added tax. The Group's revenue is derived from the following streams:

Business support services are governed by engagement agreements which typically provide for a fixed monthly fee for services to be performed on an on-going monthly basis. The services are invoiced at the end of each month and the revenue recognised for that month.

Fees for corporate finance work are governed by separate engagement agreements where the fee is typically based on a percentage of funds raised and/or a fixed fee. Revenue is recognised when the service is provided and the respective transaction has completed.

Interest income on debt investments in portfolio companies is recognised when it is probable that the economic benefits will flow to the Group and the amount can be reliably measured. Interest income on cash deposits is accrued on a time basis by reference to the principal outstanding and the applicable interest rate.

Where the consideration for spin out services is equity in companies spun out by a university, the revenue recognized is the Group's percentage of equity received applied to the value attributed to the portfolio company on initial spin out. The percentage of equity received is governed by an

agreement with the university and revenue is recognized upon spin out. When the consideration for services is a share in licencing income the revenue is recognised on an accruals basis in accordance with the terms of the licensing agreements.

## **Leases**

The Group rents office premises, and leases electric vehicle as part of the employee benefit EV lease scheme. The Group accounts for these arrangements according to the length and terms of the agreements involved.

As at June 2025, the Group has leased one floor of a science centre. The science centre lease is for 20 years with a lease inducement, rent-free period of one year, no break point, stepped rental terms, and dilapidations at the end of the term..

On signing a long-term lease, the Group recognises a right-of-use asset, measured at the present value of future lease payments to be made over the lease term, less any inducements received, plus any direct costs paid. In calculating the present value of lease payments, the Group uses as discount rate the Group's incremental cost of borrowing. The Group also recognises a lease liability to the value of present value of future lease payments calculated in the same way as for the right-of-use asset. After the commencement date, the right of use asset is depreciated in a straight line over the period of the lease. The amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. The Group recognises a short term liability of lease payments due in the next twelve months, and a long-term liability for payments beyond twelve months. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, or a change in the in-substance fixed lease payments

The vehicle lease costs are paid not by the company but by deductions from employee salary which offset both the rental payments to the vehicle supplier and insurance against any liabilities arising on termination. .As at June 2025 serviced office rentals are less than a year. For short term leases and leases of low value assets, the Group recognises the expense on a straight-line basis as permitted by IFRS 16.

## **Retirement benefit costs**

The Group operates a defined contribution retirement benefit scheme. The amount charged to the income statement in respect of retirement benefit costs are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either prepayments or accruals in the statement of financial position.

## **Notes to the Financial Statements**

### **1. Financial risk management**

#### **Financial risk factors**

##### **(a) Market risk**

##### ***Interest rate risk***

As the Group has no borrowings it only has limited interest rate risk. The impact is on income, debt investments and operating cash flow and arises from changes in market interest rates. Cash resources are held in floating rate accounts.

##### ***Price risk***

The Group is exposed to equity securities price risk because of equity investments classified on the consolidated statement of financial position as financial assets at fair value through profit and loss. The maximum exposure is the fair value of these assets which is £33,407,000 (2024: £33,203,000). Equity investments are valued in accordance with the Group's accounting policy on equity investments. Management's monitoring of and contact with portfolio companies provides sufficient information to value the unquoted companies and the Board regularly reviews their progress, prospects and valuation. Information on reasonable possible shifts in the valuation of equity investments is provided in note 13 to the financial statements.

##### **(b) Credit risk**

The Group's credit risk is primarily attributable to its debt investments, trade receivables, other debtors and cash equivalents. The Group's current cash and cash equivalents are held with two UK financial institutions, principally the Bank of Scotland plc and a small account maintained at Barclays Bank plc. Bank of Scotland and Barclays Bank UK plc have a credit rating of A1 (long term); and P-1 (short term) from credit rating Moody's indicating that Moody's consider that bank has a "superior" ability to repay short-term debt obligations (2024 ; long term A-1, short term P-1 rating). The concentration of credit risk from trade receivables and other debtors varies throughout the year depending on the timing of transactions and invoicing of fees. Details of major customers to the Group are set out in Note 4. Details of trade receivables, including ageing of debt, and other current assets, are set out in note 15. Details of significant debt investments are set out in Note 14. Management's assessment is aided through representation on the Board and/or through providing advisory services to the companies.

The maximum exposure to credit risk for debt investments, trade receivables, other current asset and cash equivalents is represented by their carrying amount.

**(c) Capital risk management**

The Group in 2024-5 was funded by equity finance only. Total capital is calculated as 'total equity' as shown in the consolidated statement of financial position. The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to manage the cost of capital. In order to maintain the capital structure, the Group may issue new shares as required. The Group had no debt at the balance sheet date.

**(d) Liquidity risk**

The Group seeks to manage liquidity risk to ensure sufficient liquidity is available to meet the requirements of the business and to invest cash assets safely and profitably. The Group's business model is to realise cash through the sale of investments in portfolio companies and in the absence of such realisations the Group would plan to raise additional capital. The Board reviews available cash to ensure there are sufficient resources for working capital requirements and investments. At 30 June 2025 and 30 June 2024 all amounts shown in the consolidated statement of financial position under current assets and current liabilities mature for payment within one year.

**(e) Climate related risk and opportunity**

The Group is affected by climate risk in the way in which any small office-based operation by factors such as increasing energy costs, changing weather patterns affecting travel and insurance, and possible futures such as flooding risk or future epidemics. Assessment of the risks is based on generally available government and UN data and also contact with scientific institutions and research bodies to which the Group has links through its investments. As well as risk, climate change opportunity is an aspect of the Group's business model. Our investee companies are developing technologies which mitigate the effect of climate change, by directly reducing carbon emissions, or in addressing future challenges in nutrition or medicine. Sustainability risks and opportunities are disclosed in the directors' report.

## **2. Critical accounting estimates and assumptions**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgements.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

**(i) Valuation of investments**

In applying valuation techniques to determine the fair value of unquoted equity investments the Group makes estimates and assumptions regarding the future potential of the investments. As the Group's unquoted investments are in seed, start-up and early-stage businesses it can be difficult to

assess the outcome of their activities and to make reliable forecasts. Given the difficulty of producing reliable cash flow projections for use in discounted cash flow valuations, this technique is applied with caution. Adjustments made to fair value are, by their very nature, subjective and determining the fair value is a critical accounting estimate. In applying valuation techniques to determine the fair value of debt investments the Group makes estimates and assumptions regarding the time to repayment or conversion, discount rate and credit risk. Where warrants are attached to a debt instrument, the fair value is determined using the Black-Scholes-Merton valuation model. The significant inputs to the model are provided in note 14.

(ii) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the stated accounting policy. The recoverable amount is determined using a value in use value model which requires a number of estimations and assumptions about the timing and amount of future cash flows. As future cash flows relate primarily to proceeds from sale of investments, these estimates and assumptions are subject to a high degree of uncertainty. Note 10 describes the key assumptions and sensitivity applied.

(iii) Consideration of credit losses

The Group believes that the most significant judgement areas in the application of its accounting policies are establishing the fair value of its unquoted equity investments and the consideration of any impairment to goodwill. The matters taken into account by the Directors when assessing the fair value of the unquoted equity investments are detailed in the accounting policy on investments.

The considerations taken into account by the Directors when reviewing goodwill are detailed in Note 10. In addition, the Directors judge that the Group is exempt from applying the equity method of accounting for associates in which it has interests of over 20% as they consider the Group to be similar to a venture capital organisation and elects to hold such investments at fair value in the statement of financial position.

IAS28 Investments in Associates and Joint Ventures permits investments held by entities which are similar to venture capital organisations to be excluded from its scope where those investments are designated, upon initial recognition, as at fair value through profit and loss.

The matters taken into account in the recognition of credit losses include historic, current and forward-looking information. The Group's exposure to credit losses is with companies from its own portfolio whose ability to settle their debts is primarily dependant on their ability to raise capital rather than their current trading. The age of debt is not the most significant factor in assessing credit loss as the outcome is expected to be binary. The debt is also concentrated in a small number of companies; five companies account for 71% of trade receivables; four account for 86% of debt investments at 30 June 2025. Management has in-depth knowledge of these companies and has active board members in all four of them. Management focus on the factors which impact the ability of these companies to successfully raise capital and a probability of default as a result of the failure to raise capital is applied to determine the expected credit loss. Details of the expected credit loss are provided in note 15

### 3. Revenue from services

During the year the Group earned revenue from the provision of services to portfolio companies and university partners as follows:

	2025 £'000	2024 £'000
Retainers with portfolio companies	325	315
Corporate finance fees from portfolio company fundraisings	-	43
	<u>325</u>	<u>358</u>

### 4. Major customers

During the year the Group had five major customers that accounted for 71% of its revenue from services (2024: five customers accounted for 78%). Four of the same customers were also in the top five in 2024. The revenues generated from each customer were as follows:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Customer 1	48	80
Customer 2	48	66
Customer 3	48	50
Customer 4	47	48
Customer 5	40	40
	<b>231</b>	<b>284</b>

## 5. Administration expenses

Expenses included in administrative expenses are analysed below.

	<b>£'000</b>	<b>£'000</b>
Employee costs	<b>2,447</b>	2,451
Consultant	<b>79</b>	142
Travel and subsistence	<b>50</b>	36
Depreciation	<b>34</b>	9
Bad and doubtful debts	<b>214</b>	245
Fees payable to auditor:		
- audit fee	<b>116</b>	137*
-non-audit services	-	-
Legal, professional and financial costs	<b>290</b>	257
Serviced offices cost	<b>150</b>	157
Administration costs	<b>76</b>	74
	<b>3,456</b>	<b>3,508</b>

\*2024 audit fees included billing from 2023. All figures are exclusive of VAT.

## 6. Directors and employees

The average number of people employed by the Group during the year was:

	<b>2025</b>	<b>2024</b>
	<b>Number</b>	<b>Number</b>
Business and corporate development	<b>20</b>	21

  

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	<b>1,785</b>	1,774
Social security	<b>259</b>	247
Pension costs - defined contribution plans	<b>209</b>	234
Non-executive directors' fees	<b>120</b>	137
Other benefits	<b>74</b>	59
Total employee administration expenses	<b>2,447</b>	<b>2,451</b>

At 30<sup>th</sup> June 2025, all employees were employed by Frontier IP Group plc.

The key management of the Group and the Company comprise the Frontier IP Group Plc Board of Directors. The remuneration of the individual Board members is shown below.

Remuneration comprises basic salary, pension contributions and benefits in kind, being private health insurance and life assurance. The type of remuneration is consistent from year to year. Ad hoc bonuses may be paid to reward exceptional performance, as decided by the Remuneration Committee, with none awarded in the period. Share options are also awarded to employees from time to time. The granting of share options to individual employees is determined taking into account seniority, commitment to the business and recent performance.

The total remuneration for each director is shown below.

**Amounts in £'000**

Year	Salary		Other benefits		Pension		Share option exercise		Share Based Payment		Total	
	25	24	25	24	25	24	25	24	25	24	2025	2024
<b>Executive</b>												
N Crabb	212	206	6	6	21	21	0	19	54	49	293	301
J McKay	112	112	7	6	61	61	0	8	39	36	219	222
M White	162	163	6	5	17	16	0	0	42	37	227	222
J Stent	204	39	2	-	21	4	0	0	10	0	237	43
J Fish*	-	87	-	5	-	66	-	34	-	34	-	226
<b>Non-executive</b>												
J King	49	41	-	-	-	-	-	-	-	-	49	41
N Grierson	36	34	-	-	-	-	-	-	-	-	36	34
D Holbrook	36	34	-	-	-	-	-	-	-	-	36	34
A Richmond*	-	28	-	-	-	-	-	-	-	-	-	28
	811	744	21	22	120	168	0	61	145	156	1,097	1,151

\*Former Director

## 7. Taxation

	2025 £'000	2024 £'000
Current tax	-	-
Deferred tax	-	(211)
Tax (credit)/charge for the year	-	(211)

A reconciliation from the reported (loss)/profit before tax to the total tax (credit)/charge is shown below:

	2025 £'000	2024 £'000
(Loss)/profit before tax	(6,344)	(1,337)
(Loss)/profit before tax at the effective rate of corporation tax in the UK of 25% (2024: 25%)	(1,586)	(334)
Effects of:		
Fair value movement in investments not recognised in deferred tax	674	(617)
Expenses not deductible for tax purposes	62	71
Movement in deferred tax asset of losses not recognised	850	688
Other adjustments		(19)
Tax (credit)/charge for the year	0	(211)

## Deferred Tax



	Group	Group
<b>Deferred tax liabilities at 30 June</b>	2025	2024
Unrealised gains investments	(60)	(67)
Short-term timing differences - fixed assets	(7)	(3)
	<u>(67)</u>	<u>(70)</u>
<b>Deferred tax assets at 30 June</b>		
Tax losses	67	70
	<u>67</u>	<u>70</u>
Net deferred tax (liability) / asset	<u>-</u>	<u>-</u>

	Company	Company
<b>Deferred tax liabilities at 30 June</b>	2025	2024
Unrealised gains investments	(60)	(67)
	<u>(60)</u>	<u>(67)</u>
<b>Deferred tax assets at 30 June</b>		
Tax losses	60	67
	<u>60</u>	<u>67</u>
Net deferred tax (liability) / asset	<u>-</u>	<u>-</u>

	Group	Company
<b>Deferred tax movement</b>		
(Liability)/asset at 1 July 2023	(211)	330
Credited	211	(330)
Debited to equity		
At 30 June 2024	<u>-</u>	<u>-</u>
<b>Deferred tax movement</b>		
(Liability)/asset at 1 July 2024	-	-
At 30 June 2025	<u>-</u>	<u>-</u>

No deferred tax liability has been recognised on the difference between base cost and fair value of certain financial assets at fair value through profit and loss which qualify as equity investments and which are expected to be exempt from tax under the substantial Shareholding Exemption on their subsequent disposal.

No deferred tax asset has been recognised on the gross temporary difference of £7,637,000 (2024: £3,075,000) by the Group in respect of carried forward losses, share options due to uncertainty in respect of availability of future taxable profits against which the deferred tax asset will unwind.

## 8. Earnings per share

### a) Basic

Basic earnings per share is calculated by dividing the profit attributable to the shareholders of Frontier IP Group Plc by the weighted average number of shares in issue during the year.

	(Loss) / profit attributable to shareholders £'000	Weighted average number of shares	Basic (loss) / earnings per share amount in pence
<b>Year ended 30 June 2025</b>	<b>(6,344)</b>	<b>62,919,366</b>	<b>(10.08)</b>

Year ended 30 June 2024

(1,126) 55,986,153 (2.01)

#### b) Diluted

Diluted earnings per share is calculated by adjusting the weighted number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has only one category of dilutive potential ordinary shares: share options. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market value share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	(Loss) / profit attributable to shareholders £'000	Weighted average number of shares adjusted for share options	Diluted (loss) / earnings per share amount in pence
<b>Year ended 30 June 2025</b>	<b>(6,344)</b>	<b>64,307,567</b>	<b>(9.87)</b>
Year ended 30 June 2024	(1,126)	57,673,312	(1.96)

## 9. Tangible fixed assets

	Electric Vehicle	Fixtures and Equipment
<b>Cost</b>		
At 1 July 2023	-	43
Additions	10	4
Disposals	-	-
At 30 June 2024	10	47
Additions	28	7
Disposals	(10)	(11)*
At 30 June 2025	28	43
<b>Depreciation</b>		
Accumulated depreciation at 1 July 2023	-	(30)
Charge for the year to 30 June 2024	(3)	(9)
Disposals	-	-
Accumulated depreciation at 30 June 2024	(3)	(39)
Charge for the year to 30 June 2025	(9)	(7)
Disposals	10	10
Accumulated depreciation at 30 June 2025	(2)	(36)
<b>Net book value</b>		
At 30 June 2024	7	8
<b>At 30 June 2025</b>	<b>26</b>	<b>7</b>

\*Disposal proceeds of £12,000 relate to return of leased EV and an insurance claim for replacement laptops. Other retirements were fully written down.

## 10 Goodwill

	Group £'000	Company £'000
<b>Cost</b>		
At 1 July 2023, 30 June 2024 and at 30 June 2025	<b>1,966</b>	-
<b>Impairment</b>		
At 1 July 2023, 30 June 2024 and at 30 June 2025		

At 1 July 2023, 30 June 2024 and at 30 June 2025

### Carrying value

At 30 June 2024

At 30 June 2025

-	-
<b>1,966</b>	-
<b>1,966</b>	-

The Group conducts an annual impairment test on the carrying value of goodwill based on the recoverable amount of the Group as one cash generating operating unit. The recoverable amount is determined using a value in use model. The net present value of projected cash flows is compared with the carrying value of the Group's investments and goodwill. Projected cash flows are based on management approved budgets for a period of three years and key assumptions over a further seven years. A longer time horizon is deemed appropriate by management in order to reflect the timeframe of the average scale up and commercialisation process. When determining the key assumptions, management has used both past experience and management judgement, but as future cash inflows are derived primarily from the realisation of investments, these assumptions are subject to a high degree of uncertainty and are shown in the table below.

Assumptions	2025	2024
Rate of return	29%	29%
Average yearly realisations	7%	7%
Annual growth in trading income	6%	6%
Annual growth in cost base	7%	6%
Discount	15%	15%

The following changes in assumptions would reduce the recoverable amount below the carrying amount from year 1 and thus trigger an impairment : a decrease in the rate of return from 29% to 19% ; an increase in the discount rate from 15% to 20%; or an increase in the cost base annual growth from 7% to 41%. Given the unlikelihood of each of these scenarios, the Board considers that the recoverable amount of the Group as one cash generating operating unit is greater than its carrying value and no impairment is required.

## 11. Categorisation of Financial Instruments

Financial assets	At fair value through profit or loss £'000	Amortised cost £'000	Total £'000
<b>At 30 June 2024</b>			
Equity investments	33,203	-	33,203
Debt investments	5,595	-	5,595
Trade and other receivables	-	1,629	1,629
Advances	-	382	382
Cash and cash equivalents		2,298	2,298
	<b>38,798</b>	<b>4,309</b>	<b>43,107</b>
<b>At 30 June 2025</b>			
Equity investments	33,407	-	33,407
Debt investments	3,066	-	3,066
Trade and other receivables	-	1,786	1,786
Advances		546	546
Cash and cash equivalents		2,584	2,584
<b>Total</b>	<b>36,473</b>	<b>4,916</b>	<b>41,389</b>

All financial liabilities are categorised as other financial liabilities and recognized at amortised cost.

All net fair value losses in the year are attributable to financial assets designated at fair value through profit or loss. (2024: all net fair value gains were attributable to financial assets designated at fair value through profit or loss.)

## 12. Investment in subsidiaries

Company Company

	2025	2024
	£'000	£'000
At 1 July	2,412	2,383
Addition - conversion of FIP Unipessoal Lda loan	-	29
At 30 June	2,412	2,412

### Group Investments

The Company has investments in the following subsidiary undertakings.

	Country of incorporation	Proportion of ordinary shares directly held by the Company
<b>Frontier IP Limited</b>	Scotland	100%
- principal activity is commercialisation of IP		
<b>Frontier IP Management Limited</b>	Scotland	100%
- principal activity is investment advisory and marketing services		
<b>FIP Portugal, Unipessoal Lda.</b>	Portugal	100%
- principal activity is commercialisation of IP		

The registered office of all subsidiaries registered in Scotland is c/o CMS Cameron McKenna Nabarro Olswang LLP, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EN.

The registered office of FIP Portugal, Unipessoal, Lda is Rua Herman Neves 8 Piso 3, Escr 7, V2440, 1600-477 Lisbon, Portugal.

### 13. Equity investments

Equity investments are valued individually at fair value in accordance with the Group's accounting policy on investments. All but one of the Group's equity investments are unquoted and these have been categorised as being level 3, that is, valued using unobservable inputs. The quoted investment are categorised as being level 1, that is, valued using quoted prices in active markets for identical assets or liabilities which the Group can access at the measurement date. All gains and losses relate to assets held at the year end, and the fair value movement has been shown in the income statement as other operating income.

Equity Investments	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
At 1 July	33,203	32,964	31,108	28,259
Additions	180	68	180	68
Conversion of debt investments	2,901	-	2,823	-
Disposals	(180)	(2,297)	(180)	-
Unrealised (loss)/profit on revaluation	(2,697)	2,468	(2,619)	2,781
At 30 June	33,407	33,203	31,312	31,108

The table below sets out the movement during the year in the value of unquoted equity investments by the valuation matrix stages described in the accounting policy on equity investments:

### Equity Investments

	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>1 July 2023</b>	-	1,193	5,873	23,601	-	2,297	32,964
Transfers between stages	-	(613)	(1,900)	2,513	-	-	-
Fair value change through other operating income	-	-	(244)	2,712	-	-	2,468
Additions	-	-	-	68	-	-	68

Disposals	-	-	-	-	(2,297)	(2,297)
<b>30 June 2024</b>	-	<b>580</b>	<b>3,729</b>	<b>28,894</b>	-	<b>33,203</b>
Transfers between stages	-	700	-	(700)	-	-
Fair value increase through other operating income	-			(2,697)	-	(2,697)
Additions	-	-		3,081	-	3,081
Disposals	-	-	-	(180)	-	(180)
<b>30 June 2025</b>	-	<b>1,280</b>	<b>3,729</b>	<b>28,398</b>	-	<b>33,407</b>

The table below provides information about equity investment fair value measurements. (See the accounting policy on investments for a description of the valuation matrix stages)

Valuation matrix stage	No of Investments	Fair value	Unobservable Inputs	Reasonable possible shift	
		£'000		%	+/- £000
At 30 June 2024					
Stage 1	3	-	Early stage with no unobservable inputs.	-	-
Stage 2	2	580	IP transferred; Grants from which economic benefit is derived	36%	209
Stage 3	5	3,729	performance against milestones and likely imminent fundraising	42%	1,566
Stage 4	14	28,894	price of last funding round and subsequent re-assessment of price/valuation.	31%	8,957
Stage 5	-	-	N/A	-	-
Stage 6	-	-	N/A	-	-
30 June 2024		33,203		31%	10,732
At 30 June 2025					
Stage 1	1	-	Early stage with no unobservable inputs	-	-
Stage 2	3	1,279	IP transferred; Grants from which economic benefit is derived.	36%	460
Stage 3	4	3,729	performance against milestones and likely imminent fundraising.	42%	1,566
Stage 4	13	28,399	price of last funding round and subsequent re-assessment of price/valuation..	31%	8,804
Stage 5	-	-	N/a	-	-
Stage 6	-	-	N/a	-	-
30 June 2025		33,407			10,830

The percentage reasonable possible shift for each stage is the blended percentage reasonable possible shift of each company at that stage which are based on the Directors' assessment of the level of uncertainty attached to the valuation inputs.

Equity investments are carried in the statement of financial position at fair value even though the Group may have significant influence over those companies. This treatment is permitted by IAS28, Investments in Associates. At 30 June 2025 the Group held an economic interest of 20% or more in the following companies:

Name of Undertaking	Registered Address	% Issued Share Capital		Share Class
		2025	2024	
AqualnSilico	Avenida Tenente Valadim, nº. 17, 2º F, 2560-275 Torres Vedras, Portugal	29.0%	29.0%	Ordinary

Alusid Limited	Richard House, Winckley Square, Preston, Lancashire, PR1 3HP	35.4%	35.4%	Ordinary
Cambridge Raman Imaging Limited	Botanic House, 100 Hills Road, Cambridge, CB2 1PH	25.4%	25.4%	Ordinary
Celerum Limited	30 East Park Road, Kintore, Inverurie, AB51 0FE	33.8%	33.8%	Ordinary
Des Solutio LDA	Avenida Tenente Valadim, nº. 17, 2º F, 2560-275 Torres Vedras, Portugal	25.0%	25.0%	Ordinary
Elute Intelligence Holdings Limited	21 Church Road, Tadley, RG26 3AX	40.71%	40.71%	Ordinary
Enfold Health Limited	The Officers' Mess, Royston Road, Duxford, Cambridgeshire, United Kingdom, CB22 4QH	75.8%	75.8%	Ordinary
GraphEnergyTech Limited	The Officers' Mess, Royston Road, Duxford, Cambridgeshire, United Kingdom, CB22 4QH	23.97%	30.4%	Ordinary
Insignals Neurotech Lda	Rua Passeio Alegre, 20 Centro de Incubaco e Aceleraco Do Porto, Porto 4150-570, Portugal	32.9%	32.9%	Ordinary
Deakin Bio-hybrid Materials t/a Dekiln	73 Temperance Street, Ardwick, Manchester, England, M12 6HU	33.3%	33.3%	Ordinary

The nature of these companies' business is provided in the Portfolio Review section of the Strategic Report where the holding carries a value.

#### 14. Debt investments

Debt investments are loans to portfolio companies to fund early-stage costs, provide funding alongside grants and bridge to an equity fundraise. Loans ranging from £100,000 to £400,000 were made to two companies during the period. All debt investments are categorised as fair value through profit or loss and measured at fair value. These have been categorised as being level 3, that is, valued using unobservable inputs. The Group uses valuation techniques that management consider appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The price at which the debt investment was made may be a reliable indicator of fair value at that date but management consider the financial position and prospects for the portfolio company borrower when valuing debt investments at subsequent measurement dates.

Year	2025	2024
Debt investments balance	3,066,000	5,595,000
Increase in time to repay/convert	20%	20%
Reduced balance	2,978,104	5,561,668
Increase in discount rate	25%	25%
Reduced balance	2,950,693	5,510,000

Certain debt investments carry warrants granting the option to purchase shares. The exercise price is generally the price of shares issued at the first equity fundraising following the grant and the period of exercise is generally at any time from the first equity fundraising to an exit event. The fair value of the warrants is determined using the Black-Scholes-Merton valuation model. The significant inputs into the model for each warrant were the exercise price, the current share price valuation, volatility of 70% (2024: 70%), expected life of between three and six years and annual risk-free interest rates to end of term of between 3.74% and 3.97% (2024: 3.95% and 4.64%). The value of warrants included in debt investments at 30 June 2025 is £408,903 (2024: £439,787).

The movement of debt investments during the year is set out below:

Group	Group	Company	Company
2025	2024	2025	2024
£'000	£'000	£'000	£'000

At 1 July	<b>5,595</b>	4,625	<b>4,351</b>	3,557
Additions	<b>500</b>	2,157	<b>500</b>	1,987
Conversion to unquoted equity investments	<b>(2,685)</b>	-	<b>(2,685)</b>	-
Unrealised profit/(loss) on revaluation	<b>(344)</b>	(1,187)	<b>(231)</b>	(1,193)
At 30 June	<b>3,066</b>	5,595	<b>1,935</b>	4,351

Debt investments with four portfolio companies accounted for 86% of the value of debt investments at 30 June 2025: Nandi Proteins (£844,000), Elute Intelligence (£608,000), Cambridge Raman Imaging (£575,000) and The Vaccine Group (£568,000).

All debt investments are classed as non-current. Certain debt instruments have conversion or repayment terms dependent on the amount and timing of an equity fundraising by the portfolio company borrower. The exercise of a conversion right would reclass the debt investment as a non-current equity investment. The expectation is to exercise the right to repayment, however there is uncertainty over the timing and amount of equity fundraisings. Furthermore, notwithstanding the right to repayment being triggered, the Group may decide, depending on the circumstance at the time, to defer repayment or convert into equity for the benefit of the portfolio company borrower in which the Group also holds an equity stake.

## 15. Trade receivables and other current assets

	<b>Group 2025 £'000</b>	<b>Group 2024 £'000</b>	<b>Company 2025 £'000</b>	<b>Company 2024 £'000</b>
Trade receivables	<b>1,050</b>	804	<b>647</b>	474
Receivables from Group undertakings	-	-	<b>520</b>	400
VAT	<b>27</b>	17	<b>13</b>	7
Prepayments and accrued income	<b>101</b>	104	<b>34</b>	29
Other debtors (excluding advances)	<b>62</b>	79	<b>4</b>	4
Accrued interest	<b>708</b>	906	<b>344</b>	645
	<b>1,948</b>	1,910	<b>1,562</b>	1,559
Expected credit loss at 1 July	<b>281</b>	103	<b>230</b>	89
Other current assets provided for in the year	<b>227</b>	178	<b>207</b>	141
Other current assets written off in the year	<b>(336)</b>	-	<b>(333)</b>	-
Expected credit loss at 30 June	<b>172</b>	281	<b>104</b>	230
Less receivables from Group undertakings - non current	-	-	<b>520</b>	400
Current portion	<b>1,776</b>	1,629	<b>938</b>	929

### Trade receivables

	<b>Group 2025 £'000</b>	<b>Group 2024 £'000</b>	<b>Company 2025 £'000</b>	<b>Company 2024 £'000</b>
Trade receivables not past due	<b>74</b>	27	<b>64</b>	17
Trade receivables past due 1-30 days	<b>27</b>	32	<b>17</b>	23
Trade receivables past due 31-60 days	<b>24</b>	21	<b>15</b>	12
Trade receivables past due 61-90 days	<b>24</b>	21	<b>15</b>	11
Trade receivables past due over 90 days	<b>1,218</b>	940	<b>732</b>	568
Gross trade receivables at 30 June	<b>1,367</b>	1,041	<b>843</b>	631
Expected credit loss at 1 July	<b>237</b>	207	<b>157</b>	125
Debts provided for in the year	<b>82</b>	30	<b>41</b>	32
Debts written off in the year	<b>(2)</b>	-	<b>(2)</b>	-
Expected credit loss at 30 June	<b>317</b>	237	<b>196</b>	157
Net trade receivables at 30 June	<b>1,050</b>	804	<b>647</b>	474

Trade receivables are amounts due from portfolio companies for services provided with net amounts recorded as revenue in the consolidated statement of comprehensive income. Other current assets include short-term advances to portfolio companies of working capital, and accrued interest on long-term portfolio company loans.

interest on long-term portfolio company loans.

The expected credit losses are estimated by reference to the financial position and specific circumstances of the portfolio companies. Historical information, current and forecast information is used in assessment of credit risk in line with the IFRS general model.

The nature of the services provided to portfolio companies means the Group has in-depth knowledge of the companies' prospects both for trading and raising capital and the number of companies with past due receivables is small enabling a full assessment of recoverability by company. The Group's history of credit loss is not sufficiently material to inform future expectations and therefore management focus on the factors which impact the ability of its debtor companies to successfully raise capital and a probability of default as a result of the failure to raise capital is applied to determine the expected credit loss. A significant increase in credit risk will lead to the application of a lifetime expected credit loss. Credit loss changes are reflected in finance costs in the statement of comprehensive income.

Receivables from Group undertakings in the Company statements carry interest of 2.0% above Bank of England base rate (2024: 2.0%).

## 16. Advances

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Advances	546	382	416	287

In the period to 30 June 2025 the Group advanced money to seven portfolio companies on a short-term basis. The largest of these advances was £190,000 to Cambridge Raman Imaging Ltd.

## 17. Trade and other payables

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Trade payables	86	49	76	71
Payables to group undertakings	-	-	6,126	6,399
Social security and other taxes	86	92	-	-
Other creditors	21	16	0	-
Accruals and deferred income	153	158	104	90
At 30 June	346	315	6,306	6,560
Less payables to Group undertakings - non current	-	-	(6,126)	(6,399)
Current portion	346	315	180	161

## 18. Share capital and share premium

	Number of shares issued and fully paid	Ordinary shares of 10p £'000	Share premium £'000	Total £'000
At 30 June 2024	56,166,946	5,617	14,791	20,408
Issue of shares	12,731,261	1,273	2,054	3,327
At 30 June 2025	68,898,207	6,890	16,845	23,735

## 19. Reserves

The reverse acquisition reserve was created on the reverse takeover of Frontier IP Group Plc. The fair value of equity-settled share-based payments is expensed on a straight-line basis over the vesting period and the amount expensed in each year is transferred to the share-based payment reserve. The amount by which the deferred tax asset arising on the intrinsic value of the outstanding share options differs from the cumulative expense is also transferred to the share-based payment reserve. Included in retained earnings are unrealised profits amounting to £27,328,294 (2024: £29,096,000). Consequently, there were no distributable reserves at 30 June 2025 or 30 June 2024.



The movement in reserves for the years ended 30 June 2025 and 2024 is set out in the Consolidated and Company Statement of Changes in Equity.

## 20. Share options

Frontier IP has three option schemes:

Under the Frontier IP Group Plc Employee Share Option Scheme 2011 - Amended 26 March 2018, both enterprise management incentive options and unapproved options are granted. No payment is required from option holders on the grant of an option. The options are exercisable starting three years from the date of the grant with no performance conditions. The scheme runs for a period of ten years but no new options can be granted as the Group has ceased to be a qualifying company for EMI purposes. No options were granted during the year under this scheme.

Under the Frontier IP Group plc Company Share Option Plan 2021 ("CSOP"), no payment is required from option holders on grant of an option. The options are exercisable starting three years from the date of the grant with no performance conditions. The scheme runs for a period of ten years. 110,628 share options were granted during the year under the CSOP.

Under the Frontier IP Group plc Unapproved Share Option Plan 2021 ("LTIP"), no payment is required from option holders on grant of an option. The options are exercisable starting three years from the date of grant provided certain performance conditions have been met. The scheme runs for a period of ten years. 889,775 share options were granted during the year under the LTIP.

Movements in the number of share options outstanding and their related weighted average exercise prices were as follows:

	<b>2025</b>	<b>2025</b>	<b>2024</b>	<b>2024</b>
	<b>Weighted average</b>	<b>Options</b>	<b>Weighted</b>	<b>Options</b>
	<b>exercise price</b>		<b>average</b>	
	<b>Pence per share</b>		<b>exercise</b>	
			<b>price</b>	
			<b>Pence per</b>	
			<b>share</b>	
At 1 July	<b>29.47</b>	<b>5,293,749</b>	32.22	5,099,064
Granted	<b>6.11</b>	<b>1,000,403</b>	16.98	836,019
Exercised	-	-	27.12	(508,793)
Lapsed	<b>46.47</b>	<b>(10,018)</b>	99.32	(132,541)
At 30 June	<b>24.75</b>	<b>6,284,134</b>	29.47	5,293,749

Of the 6,284,134 outstanding options (2024: 5,293,749), 3,622,858 had vested at 30 June 2025 (2024: 3,622,858). The vested options have a weighted average exercise price of 33.51p

Share options outstanding at the end of the year have the following expiry date and exercise prices:

	<b>Exercise</b>	<b>2025</b>	<b>2024</b>
	<b>price</b>	<b>Number</b>	<b>Number</b>
	<b>Pence per</b>		
	<b>share</b>		
2026	26.63	650,000	650,000
2027	40.00	352,000	352,000
2028	65.00	233,000	233,000
2028	10.00	432,000	432,000
2029	66.00	466,034	466,034
2029	66.25	96,578	96,578
2029	10.00	729,211	729,211
2030	65.00	353,719	353,790
2030	10.00	310,316	310,316
2032	83.00	71,552	74,646
2033	66.00	115,934	116,850
2033	10.00	642,460	643,376
2033	44.50	166,635	169,181
2033	10.00	664,292	666,838
2034	28.00	110,628	-
2034	10.00	889,755	-

The weighted average remaining contractual life of the outstanding options is 4.1 years.

The weighted average fair value of options granted to executive Directors and employees during the year determined using the Black-Scholes-Merton valuation model was 17.4p per option. The significant inputs into the model were the exercise prices shown above, weighted average share price of 28p, volatility of 10.4%, dividend yield of 0%, expected life of 5 years and annual risk-free interest rate of 3.78%. Future volatility has been estimated based on 5 years' historical daily data.

## 21. Leases

In June 2025, Frontier IP Group plc signed a 20-year lease with Abstract Mid-tech Limited for 18,000 sq. ft of floor space at the South Cambridge Science Centre. The purpose of this acquisition is to provide space for Frontier IP Group offices in Cambridge, alongside future subleasing of lab space to portfolio companies and other tenants on commercial terms. The right of use asset has been recognised at the present value of future lease payments, discounted at an interest rate of 10%. The discount rate is an estimate of the Group's incremental borrowing rate, positioned between the average 9.5% cost of capital of competitors, and the average net asset growth vs share price over the period of one, five and ten years. To this present value is added legal payments to the value of £57,000, and a lease inducement of £1,000,000 is deducted. A lease liability amounting to the present value of future payments has also been recognised, split between current liability of £274,000 and non-current liabilities of £11,782,000. The asset has been depreciated to the end of June, and interest of £59,000 applied to the liability for the same period.

Other building rental liabilities relate to serviced office space occupied by Frontier offices, which are being phased out over the year to June 2026. Under the terms of the rental agreements, the supplier has the right to vary or terminate the agreement during the period of use, however at inception of the agreement this was not considered likely to occur. For short term leases (12 months or less) and leases of low value assets, the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16's transitional rules. Currently the longest lease ends in March 2026.

EV leasing as an employee benefit means the Group has a small lease asset and liability for the period of a lease, with the liability insured in the instance that the employee payments are not met in full. The right-of-use EV asset is shown with other fixed assets in Note 9.

### Lease Right of Use asset

	Building Lease
<b>Cost</b>	
At 30 June 2024	-
Additions	11,054
Disposals	-
At 30 June 2025	11,054
<b>Depreciation</b>	
Accumulated depreciation at 30 June 2024	-
Charge for the year to 30 June 2025	(27)
Disposals	-
Accumulated depreciation at 30 June 2025	(27)
<b>Net book value</b>	
At 30 June 2024	-
<b>At 30 June 2025</b>	<b>11,027</b>

	2025 Land & Buildings £'000	2024 Land & Buildings £'000
<b>Lease liability</b>		
Commitments under non-cancellable leases expiring:		
Within one year - Building lease	274	-
Within one year - Serviced office space	35	105
Two to five years	3,157	-
Beyond five years	8,567	-
	<b>12,033</b>	<b>105</b>

## 22. Cash used in operations

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Profit/(loss) before tax	(6,344)	(1,337)	(6,066)	(765)
<i>Adjustments for:</i>				
Share-based payments	247	225	247	225
Depreciation	33	9	29	-
Bank Interest received	(33)	(62)	(33)	(81)
Lease finance costs	59	-	59	-
Unrealised loss/(profit) on the revaluation of investments	3,041	(1,282) (249)	2,929	(1,588)
Realised loss/(profit) on disposal of investments			-	-
Portfolio company interest received	(216)		(216)	
<i>Changes in working capital:</i>				
Trade and other receivables	(147)	(602)	(10)	(348)
Advances	(165)	413	(132)	498
Trade and other payables	31	74	18	1
Cash flows from operating activities	<b>(3,494)</b>	<b>(2,811)</b>	<b>(3,173)</b>	<b>(2,058)</b>

\*Movement in trade and other receivables includes non-cash accrued interest on debt investments with portfolio companies

## 23. Related party transactions

Neil Crabb is a director of Graphenergytech Ltd, Pulsiv Limited, CamGraPhIC Ltd, Cambridge Raman Imaging Ltd, Qupic Limited, and Alusid Limited. Matthew White is a director of The Vaccine Group Limited, Nandi Proteins Limited and Dekiln (trading name of Deakin Bio-hybrid Materials Limited). All these companies are portfolio companies of the Group. The Group charged fees to these companies and was owed amounts from these companies as follows:

By the Group	Fees charged 2025 £'000	Fees charged 2024 £'000	Amounts owed 2025 £'000	Amounts owed 2024 £'000
Nandi Proteins Limited	48	66	350	292
Pulsiv Limited	24	24	5	5
Alusid Limited	36	80	187	155
The Vaccine Group Limited	48	48	193	135
CamGraPhIC Ltd	40	40	214	167
Dekiln	11	25	-	-

## 24. Subsequent events

There were no subsequent events to report.

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