

15 January 2025

## Frontier Developments plc

### FY25 H1 Results – a strong turnaround

Frontier Developments plc (AIM: FDEV, 'Frontier', the 'Company', or the 'Group'), a leading developer and publisher of video games based in Cambridge, UK, publishes its unaudited interim results for the 6 months to 30 November 2024 ('H1 FY25' or the 'Period') and provides a trading update for December 2024.

#### H1 Financial Summary & Headlines

Frontier has delivered a strong turnaround in financial performance in H1 FY25, following the return to profitability achieved in the second half of FY24.

	<b>H1 FY25</b> <b>(6 months to 30</b> <b>November 2024)</b>	H1 FY24 (6 months to 30 November 2023)	H1 to H1 Increase / (Decrease)
Revenue	<b>£47.3m</b>	£47.7m	(£0.4m)
Adjusted EBITDA profit/(loss)*	<b>£4.4m</b>	(£4.9m)	£9.3m
IFRS Operating profit/(loss)	<b>£4.5m</b>	(£33.3m)	£37.8m
Cash balance at period end	<b>£27.2m</b>	£17.1m	£10.1m

- Revenue of £47.3 million was in line with management's expectations.
- Actions taken in the preceding financial year to reduce costs and reshape the Company delivered a turnaround in profitability of over £9 million to an Adjusted EBITDA\* profit of £4.4 million.
- An improved cash position of £27.2 million at 30 November 2024 grew to £30.5 million at 31 December 2024, which is before receipt of December revenue.

\*Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation and impairment charges related to game developments and game technology, less investments in game developments and game technology, and excluding restructuring costs, share-based payment charges and other non-cash items.

#### Game Portfolio Overview

*Planet Coaster 2* achieved the #1 chart position on Steam at release on 6 November 2024, and contributed 22% of total revenue in H1 FY25, despite launching less than four weeks before the end of the Period. The game is a great addition to Frontier's portfolio of creative management simulation ('CMS') games and is set to provide significant revenue contributions over many years.

Total sales of *Planet Coaster 2* across all platforms – PC, PlayStation 5 and Xbox Series S|X – exceeded 400,000 base game units within two months of release, including through planned price promotions in December. Its predecessor, *Planet Coaster*, also sold well during the festive period, including through a deep discount on Steam. The substantial number of new *Planet Coaster* players added through those price promotions provides a further opportunity to grow the *Planet Coaster 2* community over time.

*Planet Coaster 2* is the first of three CMS games confirmed through the strategic reset undertaken in FY23-FY24, with the next being a third Jurassic World game, coming in FY26. The long-term strength of Frontier's CMS-led strategy was again evidenced in the Period through the ongoing sales performance of Frontier's back catalogue of established CMS games, led by *Planet Zoo* and *Jurassic World Evolution 2*.

Outside of CMS games, Frontier's genre-leading space simulation game, *Elite Dangerous*, which celebrated its 10<sup>th</sup> anniversary in December, achieved a substantial increase in revenue in the Period through new story elements, and the release of both free and chargeable content.

Early in the Period, on 23 July 2024, *F1® Manager 2024* was released on PC, PlayStation 5, Xbox Series S|X, PlayStation 4, Xbox One and Nintendo Switch. This built on the strengths of Frontier's first two *F1® Manager* games with the addition of the Create A Team mode to allow players to bring their own 11<sup>th</sup> team to the grid.

## Trading Update and Outlook

After the end of the Period, strong sales across the portfolio in the Steam winter sale and other price promotion events delivered Frontier's third-highest festive sales performance, surpassed only by the stay-at-home boosted years of 2020 and 2021.

The Board remains confident of delivering FY25 revenue and profitability in line with expectations following the strong performance achieved in the first seven months.

Jonny Watts, Frontier's CEO, said:

*"It was great to see Planet Coaster 2 release in November, the first of three CMS games we scheduled through our strategic reset last year. We are working hard to support and nurture the game as its player community grows.*

*Our established portfolio of CMS games continues to deliver and, as we begin 2025, I look ahead with excitement to our third Jurassic World game, coming in FY26.*

*I remain confident in our team's ability to deliver on our exciting roadmap and I look forward to the years ahead."*

There will be a call for analysts and institutional investors at 9:30a.m. today. To register, please contact [Frontier@teneo.com](mailto:Frontier@teneo.com).

### Enquiries:

**Frontier Developments** +44 (0)1223 394 300

Jonny Watts, CEO

Alex Bevis, CFO

**Peel Hunt – Nomad and Joint Corporate Broker** +44 (0)20 7418 8900

Neil Patel / Ben Cryer / Kate Bannatyne

**Panmure Liberum – Joint Corporate Broker** +44 (0)20 3100 2000

Max Jones / Nikhil Varghese

**Teneo** +44 (0)20 7353 4200

Matt Low / Arthur Rogers

### About Frontier Developments plc

Frontier is a leading independent developer and publisher of video games founded in 1994 by David Braben, co-author of the iconic *Elite* game. Based in Cambridge, Frontier uses its proprietary COBRA game development technology to create innovative genre-leading games, primarily for personal computers and videogame consoles.

Frontier's LEI number: 213800B9LGPWUAZ9GX18.

[www.frontier.co.uk](http://www.frontier.co.uk)

## Interim Results Statement

### REVENUE AND GROSS PROFIT

H1 revenue of £47.3 million (H1 FY24: £47.7 million) was in line with management's expectations, which was achieved through a strong back-catalogue performance and contributions from two new games; *F1® Manager 2024* (23 July 2024) and *Planet Coaster 2* (6 November 2024). *Planet Coaster 2* was the strongest performer of the two games, contributing 22% of total revenue despite launching less than four weeks before the end of the Period.

The back-catalogue of games that were released before the start of the financial year continued to perform well in H1 FY25. The largest contribution came from Frontier's established portfolio of CMS games – *Planet Coaster*, *Planet Zoo*, *Jurassic World Evolution* and *Jurassic World Evolution 2* – which together recorded £24.6 million of revenue in H1 FY25 (52% of total revenue). This represented an impressive sustain rate of 97%, versus the comparative period (H1 FY24: £25.5 million), including through the contribution of *Planet Zoo: Console Edition* (released March 2024). With new story elements and ships, *Elite Dangerous* revenue from both the base game and paid downloadable content ('PDLC') grew versus the comparative period, with PDLC sales almost doubling through strong player engagement.

PDLC and free downloadable content are important elements of Frontier's post-release nurturing strategy and, across the whole portfolio, PDLC accounted for 31% of total revenue in H1 FY25 (H1 FY24: 29%). *Planet Zoo* on PC and *Planet Zoo: Console Edition* each benefitted from new PDLC in the Period. A PDLC pack was available for the newly released *Planet Coaster 2* alongside its launch in November, with a second PDLC releasing after the end of the Period in December. We also released a number of free updates for *Planet Coaster 2* and look forward to engaging with the community to deliver on an exciting roadmap of content in the year ahead.

Underlying revenue, excluding subscription deals, increased by 19% from H1 FY24 to H1 FY25, with total revenue including subscription deals reducing by 1% against the comparative period to £47.3 million (H1 FY24: £47.7 million). Subscription deals contributed over £1.7 million of revenue in H1 FY25, whereas H1 FY24 revenue benefited from subscription deals of £9.2 million including for *F1® Manager 2023* and *Jurassic World Evolution 2* on Microsoft's Game Pass service. Subscription deals continue to provide valuable incremental income, but the timing of deals remains difficult to predict.

Gross profit of £32.9 million in H1 FY25, being revenue less distribution costs and IP royalties, was in line with the comparative period (H1 FY24: £33.0 million) with gross profit margin growing slightly to 70% (H1 FY24: 69%). Frontier's gross margin percentage tends to vary between periods based on the revenue mix between own-IP games, licenced-IP games and subscription deals.

### OPERATING COSTS

Adjusted operating costs, excluding the impact of non-cash accounting adjustments, reduced by 25% from £37.9 million in H1 FY24 to £28.5 million in H1 FY25. The significant decrease was due to the cost reductions undertaken through Frontier's Organisational Review in H2 FY24 and the closure of Frontier Foundry in June 2023. Costs in H1 FY25 were slightly higher (4%) than the £27.4 million recorded in H2 FY24 through marketing costs for the two game launches in H1 FY25.

Adjusted research and development (R&D) costs fell by 21% in H1 FY25 to £19.5 million (H1 FY24: £24.7 million). The reduction mainly resulted from lower people-related costs as a result of the Organisational Review, as well as H1 FY24 including £1.5 million of external development funding in relation to the remaining Frontier Foundry projects following closure in June 2023.

Adjusted sales, marketing, and administrative costs also fell significantly, reducing by 32% to £9.0 million (H1 FY24: £13.2 million). The reduction resulted from savings on marketing costs, including through a greater focus on digital marketing, lower people-related costs, lower recruitment costs and general cost savings across all departments.

## ***IFRS ADJUSTING ITEMS***

Total IFRS operating costs in H1 FY25 of £28.4 million were 57% lower than the £66.3 million recorded in H1 FY24, due to a £26.7 million reduction in R&D amortisation and impairment charges, the £9.4 million reduction in adjusted operating costs explained above, and a £2.5 million restructuring charge in H1 FY24. The significant reduction in R&D amortisation and impairment charges resulted from the substantial charges which had been recorded in H1 FY24 against underperforming games.

## ***FINANCIAL PERFORMANCE***

Adjusted EBITDA\*, which reflects cash profitability with game development costs expensed as they are incurred, was a profit of £4.4 million in H1 FY25, representing a turnaround in profitability of over £9 million compared with the loss of £4.9 million in H1 FY24 as a result of the significant reduction in operating costs.

\*Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation and impairment charges related to game developments and game technology, less investments in game developments and game technology, and excluding restructuring costs, share-based payment charges and other non-cash items.

Profit was also achieved on an IFRS basis, with an operating profit of £4.5 million in H1 FY25 compared with the loss of £33.3 million in H1 FY24 which had resulted from intangible asset impairment and restructuring charges.

## ***TAX***

Consistent with H1 FY24, a nil corporation tax amount was recognised in H1 FY25. A net credit is expected to be recognised in the full-year FY25 Financial Results for the anticipated Video Games Tax Relief cash claim for qualifying development activity in the financial year. The Group will provide additional corporation tax disclosures in the FY25 Financial Statements.

## ***PROFIT AFTER TAX AND EARNINGS PER SHARE***

A profit after tax of £4.4 million was recorded in H1 FY25 (H1 FY24: loss of £33.1 million). Basic earnings per share was 11.4 pence (H1 FY24: loss per share of 85.7 pence).

## ***BALANCE SHEET AND CASHFLOW***

The Group continues to be well capitalised, with a cash balance of £27.2 million at 30 November 2024 (31 May 2024: £29.5 million). The cash balance at 31 December 2024 grew to £30.5 million through the receipt of the *Planet Coaster 2* November launch revenue during December. Cash from the sales recorded in December will be received from platform and channel partners in January and February.

**CONSOLIDATED INCOME STATEMENT**  
**FOR THE PERIOD ENDED 30 NOVEMBER 2024**

	Notes	6 months to 30 November 2024 £'000	6 months to 30 November 2023 £'000	12 months to 31 May 2024 £'000
Revenue	5	47,291	47,677	89,270
Cost of sales		(14,388)	(14,714)	(27,954)
<b>Gross profit</b>		<b>32,903</b>	32,963	61,316
Research and development expenses		(16,294)	(48,060)	(67,881)
Sales and marketing expenses		(5,036)	(8,350)	(11,635)
Administrative expenses		(7,030)	(7,369)	(13,659)
Other operating income		–	–	4,851
<b>Operating profit/(loss) before restructuring</b>		<b>4,543</b>	(30,816)	(27,008)
Restructuring costs		–	(2,500)	(1,405)
<b>Operating profit/(loss)</b>		<b>4,543</b>	(33,316)	(28,413)
Net finance (costs)/income		(145)	217	(12)
<b>Profit/(loss) before tax</b>		<b>4,398</b>	(33,099)	(28,425)
Income tax credit		–	–	6,953
<b>Profit/(loss) for the period attributable to shareholders</b>		<b>4,398</b>	(33,099)	(21,472)

		6 months to 30 November 2024 p	6 months to 30 November 2023 p	12 months to 31 May 2024 p
<b>Earnings/(loss) per share</b>				
Basic earnings/(loss) per share	6	11.4	(85.7)	(55.6)
Diluted earnings/(loss) per share	6	11.1	(85.7)	(55.6)

All the activities of the Group are classified as continuing.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 NOVEMBER 2024**

		6 months to 30 November 2024 £'000	6 months to 30 November 2023 £'000	12 months to 31 May 2024 £'000
Profit/(loss) for the period		4,398	(33,099)	(21,472)
<b>Other comprehensive income</b>				
Items that will be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations		(199)	(146)	(277)
<b>Total comprehensive income/(loss) for the period attributable to the equity holders of the parent</b>		<b>4,199</b>	(33,245)	(21,749)

The accompanying accounting policies and notes form part of this financial information.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 30 NOVEMBER 2024***(REGISTERED COMPANY NO: 02892559)*

	Note	30 November 2024 £'000	30 November 2023 £'000	31 May 2024 £'000
<b>Non-current assets</b>				
Goodwill		6,781	7,027	6,954
Other intangible assets	7	37,370	33,746	35,702
Property, plant and equipment		4,291	5,415	4,739
Right-of-use assets		18,625	17,506	19,661
Total non-current assets		67,067	63,694	67,056
<b>Current assets</b>				
Trade and other receivables		18,684	19,132	13,590
Current tax assets		7,207	5,805	7,216
Cash and cash equivalents		27,241	17,134	29,523
Total current assets		53,132	42,071	50,329
<b>Total assets</b>		<b>120,199</b>	<b>105,765</b>	<b>117,385</b>
<b>Current liabilities</b>				
Trade and other payables		(12,251)	(13,929)	(11,096)
Provisions		–	(1,758)	–
Lease liabilities		(1,801)	(1,597)	(1,748)
Deferred income		(3,429)	(2,457)	(4,351)
Total current liabilities		(17,481)	(19,741)	(17,195)
<b>Net current assets</b>		<b>35,651</b>	<b>22,330</b>	<b>33,134</b>
<b>Non-current liabilities</b>				
Provisions		(92)	(78)	(85)
Lease liabilities		(18,609)	(17,416)	(19,535)
Other payables		(671)	(3,836)	(3,101)
Deferred income		(591)	–	(256)
Deferred tax liabilities		(381)	(411)	(390)
Total non-current liabilities		(20,344)	(21,741)	(23,367)
<b>Total liabilities</b>		<b>(37,825)</b>	<b>(41,482)</b>	<b>(40,562)</b>
<b>Net assets</b>		<b>82,374</b>	<b>64,283</b>	<b>76,823</b>
<b>Equity</b>				
Share capital		197	197	197
Share premium account		36,547	36,547	36,547
Equity reserve		(13,612)	(13,953)	(13,283)
Foreign exchange reserve		(1,072)	(742)	(873)
Retained earnings		60,314	42,234	54,235
<b>Total equity</b>		<b>82,374</b>	<b>64,283</b>	<b>76,823</b>

The accompanying accounting policies and notes form part of this financial information.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 NOVEMBER 2024**

	Share capital £'000	Share premium account £'000	Equity reserve £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total equity £'000
At 31 May 2023	197	36,547	(14,553)	(596)	74,373	95,968
Loss for the period	–	–	–	–	(33,099)	(33,099)
Other comprehensive income:						
Exchange differences on translation of foreign operations	–	–	–	(146)	–	(146)
Total comprehensive loss for the period	–	–	–	(146)	(33,099)	(33,245)
Share-based payment charges	–	–	1,559	–	–	1,559
Share-based payment transfer relating to option exercises and lapses	–	–	(960)	–	960	–
Employee Benefit Trust net cash inflows from option exercises	–	–	1	–	–	1
Transactions with owners	–	–	600	–	960	1,560
At 30 November 2023	197	36,547	(13,953)	(742)	42,234	64,283
Profit for the period	–	–	–	–	11,627	11,627
Other comprehensive income:						
Exchange differences on translation of foreign operations	–	–	–	(131)	–	(131)
Total comprehensive income/(loss) for the period	–	–	–	(131)	11,627	11,496
Share-based payment charges	–	–	1,218	–	–	1,218
Share-based payment transfer relating to option exercises and lapses	–	–	(548)	–	548	–
Deferred tax movements posted directly to reserves	–	–	–	–	(174)	(174)
Transactions with owners	–	–	670	–	374	1,044
At 31 May 2024	197	36,547	(13,283)	(873)	54,235	76,823
Profit for the period	–	–	–	–	4,398	4,398
Other comprehensive income:						
Exchange differences on translation of foreign operations	–	–	–	(199)	–	(199)
Total comprehensive income/(loss) for the period	–	–	–	(199)	4,398	4,199
Share-based payment charges	–	–	1,248	–	–	1,248
Share-based payment transfer relating to option exercises and lapses	–	–	(1,681)	–	1,681	–
Employee Benefit Trust net cash inflows from option exercises	–	–	104	–	–	104
Transactions with owners	–	–	(329)	–	1,681	1,352
<b>At 30 November 2024</b>	<b>197</b>	<b>36,547</b>	<b>(13,612)</b>	<b>(1,072)</b>	<b>60,314</b>	<b>82,374</b>

The accompanying accounting policies and notes form part of this financial information.

**CONSOLIDATED STATEMENT OF CASHFLOWS  
FOR THE PERIOD ENDED 30 NOVEMBER 2024**

	<b>6 months to 30 November 2024 £'000</b>	6 months to 30 November 2023 £'000	12 months to 31 May 2024 £'000
<b>Profit/(loss) before taxation</b>	<b>4,398</b>	(33,099)	(28,425)
<i>Adjustments for:</i>			
Depreciation and amortisation	<b>12,874</b>	24,467	36,892
Impairment of other intangible assets	–	16,930	16,930
Movement in unrealised exchange gains on forward contracts	<b>611</b>	(114)	(37)
Share-based payment expenses	<b>1,248</b>	1,559	2,778
Interest received	<b>(386)</b>	(504)	(832)
Payment of interest element of lease liabilities	<b>531</b>	287	844
Other operating income	–	–	(4,851)
<i>Working capital changes:</i>			
Change in trade and other receivables	<b>(5,373)</b>	(3,460)	3,661
Change in trade and other payables	<b>300</b>	(6,150)	(4,557)
Change in provisions	<b>7</b>	1,765	14
<b>Cash generated from operations</b>	<b>14,210</b>	1,681	22,417
Taxes received	–	3,683	9,208
<b>Net cashflows from operating activities</b>	<b>14,210</b>	5,364	31,625
<b>Investing activities</b>			
Purchase of property, plant and equipment	<b>(229)</b>	(787)	(960)
Expenditure on other intangible assets	<b>(15,576)</b>	(15,227)	(29,419)
Payments for contingent consideration on business acquisitions	–	–	(1,516)
Sale of <i>RollerCoaster Tycoon 3</i> publishing rights	<b>195</b>	–	3,195
Interest received	<b>386</b>	504	832
<b>Net cashflows used in investing activities</b>	<b>(15,224)</b>	(15,510)	(27,868)
<b>Financing activities</b>			
Employee Benefit Trust cash inflows from option exercises	<b>104</b>	1	–
Payment of principal element of lease liabilities	<b>(854)</b>	(747)	(1,665)
Payment of interest element of lease liabilities	<b>(531)</b>	(287)	(844)
<b>Net cashflows used in financing activities</b>	<b>(1,281)</b>	(1,033)	(2,509)
Net change in cash and cash equivalents from continuing operations	<b>(2,295)</b>	(11,179)	1,248
Cash and cash equivalents at beginning of period	<b>29,523</b>	28,311	28,311
Exchange differences on cash and cash equivalents	<b>13</b>	2	(36)
<b>Cash and cash equivalents at end of period</b>	<b>27,241</b>	17,134	29,523

The accompanying accounting policies and notes form part of this financial information.



## **NOTES TO THE FINANCIAL INFORMATION**

### **1. CORPORATE INFORMATION**

Frontier Developments plc (the 'Group' or the 'Company') develops and publishes video games for the interactive entertainment sector. The Company is a public limited company and is incorporated and domiciled in the United Kingdom.

The address of its registered office is 26 Science Park, Milton Road, Cambridge CB4 0FP.

The Group's operations are based and headquartered in the UK, with subsidiaries based in Canada and the US.

### **2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE**

#### ***Basis of preparation***

The consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' (IAS 34), as issued by the International Accounting Standards Board (IASB) and as adopted by the UK, and the disclosure requirements of the Listing Rules.

The consolidated interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006 and have not been audited or reviewed by the Company's auditors.

The consolidated interim financial statements should be read in conjunction with the financial statements for the year ended 31 May 2024.

Statutory accounts for the year ended 31 May 2024 were approved by the Board of Directors on 10 September 2024 and delivered to the Registrar of Companies. The Auditor's Report was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

The financial information has been prepared under the historical cost convention except for financial instruments held at fair value. The financial information is presented in Sterling, the presentation and functional currency for the Group and Company. All values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

#### ***Going concern basis***

The Group's and Company's forecasts and projections, taking account of current cash resources and reasonably possible changes in trading performance, support the conclusion that there is a reasonable expectation that the Group and Company has adequate resources to continue in operational existence for a period of not less than 12 months from the date of the consolidated interim financial statements. The Group and Company therefore continue to adopt the going concern basis in preparing their financial statements.

### **3. ACCOUNTING POLICIES**

The consolidated interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's most recent annual financial statements for the year ended 31 May 2024.

### **4. ACCOUNTING ESTIMATES AND KEY JUDGEMENTS**

When preparing the consolidated interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurements of assets, liabilities, income and expenses. The actual results may differ from these estimates.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 31 May 2024.

## 5. SEGMENT INFORMATION

The Group identifies operating segments based on internal management reporting that is regularly reviewed by the chief operating decision maker and reported to the Board. The chief operating decision maker is the Chief Executive Officer.

Management information is reported as one operating segment, being revenue from publishing games and revenue from other streams such as royalties and licensing.

The Group does not provide any information on the geographical location of sales as the majority of revenue is through third-party distribution platforms which are responsible for the sales data of consumers. The cost to develop this information internally would be excessive.

The majority of the Group's non-current assets are held within the UK.

All material revenue is categorised as either publishing revenue or other revenue.

The Group typically satisfies its performance obligations at the point that the product becomes available to the customer and payment is received upfront by the distributors.

Other revenue mainly related to royalty income in all periods.

	<b>6 months to 30 November 2024</b>	6 months to 30 November 2023	12 months to 31 May 2024
	<b>£'000</b>	£'000	£'000
Publishing revenue	<b>47,129</b>	46,654	88,096
Other revenue	<b>162</b>	1,023	1,174
<b>Total revenue</b>	<b>47,291</b>	47,677	89,270
Cost of sales	<b>(14,388)</b>	(14,714)	(27,954)
<b>Gross profit</b>	<b>32,903</b>	32,963	61,316
Research and development expenses	<b>(16,294)</b>	(48,060)	(67,881)
Sales and marketing expenses	<b>(5,036)</b>	(8,350)	(11,635)
Administrative expenses	<b>(7,030)</b>	(7,369)	(13,659)
Other operating income	–	–	4,851
<b>Operating profit/(loss) before restructuring</b>	<b>4,543</b>	(30,816)	(27,008)
Restructuring costs	–	(2,500)	(1,405)
<b>Operating profit/(loss)</b>	<b>4,543</b>	(33,316)	(28,413)
Net finance (costs)/income	<b>(145)</b>	217	(12)
<b>Profit/(loss) before tax</b>	<b>4,398</b>	(33,099)	(28,425)
Income tax credit	–	–	6,953
<b>Profit/(loss) for the period attributable to shareholders</b>	<b>4,398</b>	(33,099)	(21,472)

## 6. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share is based on the profits/(losses) attributable to the shareholders of Frontier Developments plc divided by the weighted average number of shares in issue during the year.

	<b>6 months to 30 November 2024</b>	6 months to 30 November 2023	12 months to 31 May 2024
Profit/(loss) attributable to shareholders (£'000)	<b>4,398</b>	(33,099)	(21,472)
Weighted average number of shares	<b>38,649,551</b>	38,601,286	38,608,645
<b>Basic earnings/(loss) per share (p)</b>	<b>11.4</b>	(85.7)	(55.6)

The calculation of the diluted earnings/(loss) per share is based on the profits/(losses) attributable to the shareholders of Frontier Developments plc divided by the weighted average number of shares in issue during the year as adjusted for the dilutive effect of share options.

	<b>6 months to 30 November 2024</b>	6 months to 30 November 2023	12 months to 31 May 2024
Profit/(loss) attributable to shareholders (£'000)	<b>4,398</b>	(33,099)	(21,472)
Diluted weighted average number of shares	<b>39,759,771</b>	38,601,286	38,608,645
<b>Diluted earnings/(loss) per share (p)</b>	<b>11.1</b>	(85.7)	(55.6)

The reconciliation of the average number of Ordinary Shares used for basic and diluted earnings/(loss) per share is as follows:

	<b>6 months to 30 November 2024</b>	6 months to 30 November 2023	12 months to 31 May 2024
Weighted average number of shares	<b>38,649,551</b>	38,601,286	38,608,645
Dilutive effect of share options	<b>1,110,220</b>	–	–
<b>Diluted average number of shares</b>	<b>39,759,771</b>	38,601,286	38,608,645

## 7. OTHER INTANGIBLE ASSETS

	Game technology £'000	Game developments £'000	Third-party software £'000	IP licences £'000	Total £'000
<b>Cost</b>					
At 31 May 2023	23,182	167,185	2,877	11,185	204,429
Additions	2,218	12,835	174	1,047	16,274
Exchange rate movement	–	(86)	–	–	(86)
At 30 November 2023	25,400	179,934	3,051	12,232	220,617
Additions	2,340	9,128	262	792	12,522
Disposals	–	(490)	–	–	(490)
Exchange rate movement	–	(64)	(1)	–	(65)
At 31 May 2024	27,740	188,508	3,312	13,024	232,584
Additions	2,498	12,103	204	–	14,805
Disposals	–	–	–	(1,915)	(1,915)
Exchange rate movement	–	(143)	(1)	–	(144)
<b>At 30 November 2024</b>	<b>30,238</b>	<b>200,468</b>	<b>3,515</b>	<b>11,109</b>	<b>245,330</b>
<b>Amortisation and impairment</b>					
At 31 May 2023	16,961	122,212	2,130	6,139	147,442
Amortisation charges	1,542	19,124	211	1,686	22,563
Impairment charges	–	15,502	–	1,428	16,930
Exchange rate movement	–	(64)	–	–	(64)
At 30 November 2023	18,503	156,774	2,341	9,253	186,871
Amortisation charges	1,472	8,827	232	16	10,547
Disposals	–	(490)	–	–	(490)
Exchange rate movement	–	(45)	(1)	–	(46)
At 31 May 2024	19,975	165,066	2,572	9,269	196,882
Amortisation charges	1,788	9,156	237	–	11,181
Exchange rate movement	–	(102)	(1)	–	(103)
<b>At 30 November 2024</b>	<b>21,763</b>	<b>174,120</b>	<b>2,808</b>	<b>9,269</b>	<b>207,960</b>
<b>Net book value</b>					
<b>Net book value at 30 November 2024</b>	<b>8,475</b>	<b>26,348</b>	<b>707</b>	<b>1,840</b>	<b>37,370</b>
Net book value at 31 May 2024	7,765	23,442	740	3,755	35,702
Net book value at 30 November 2023	6,897	23,160	710	2,979	33,746
Net book value at 31 May 2023	6,221	44,973	747	5,046	56,987

## 8. KEY PERFORMANCE INDICATORS – NON-STATUTORY MEASURES

In addition to measures of financial performance derived from IFRS-reported results – revenue, operating profit, operating profit margin percentage, earnings per share, and cash balance – we have published and provided commentary on our financial performance measurements, derived from non-statutory calculations. We believe these supplementary measures, when read in conjunction with the measures derived directly from statutory financial reporting, provide a better understanding of our overall financial performance.

### EBITDA

EBITDA, being earnings before tax, interest, depreciation, and amortisation, is commonly used by investors when assessing the financial performance of companies. It attempts to arrive at a ‘cash profit’ figure by adjusting operating profit for non-cash depreciation and amortisation charges. In our case, EBITDA does not provide a clear picture of our cash profitability, as it adds back amortisation charges relating to game developments, but without deducting the investment costs for those developments, resulting in a profit measure which does not take into account any of the costs associated with developing games. Since EBITDA is a commonly used financial performance measure, it has been included below for the benefit of readers of the accounts who may value that measure of performance.

	<b>6 months to 30 November 2024 £'000</b>	6 months to 30 November 2023 £'000	12 months to 31 May 2024 £'000
Operating profit/(loss)	4,543	(33,316)	(28,413)
Restructuring costs	–	2,500	1,405
Depreciation and amortisation	12,874	24,467	36,892
Impairment of other intangible assets	–	16,930	16,930
<b>EBITDA</b>	<b>17,417</b>	<b>10,581</b>	<b>26,814</b>

### Adjusted EBITDA

Our Adjusted EBITDA measure, in our view, provides a better representation of ‘cash profit’ than EBITDA. We define Adjusted EBITDA as earnings before interest, tax, depreciation, amortisation and impairment charges related to game developments and game technology, less investments in game developments and game technology, and excluding restructuring costs, share-based payment charges and other non-cash items. This effectively provides the cash profit figure that would have been achieved if we expensed all game development investment as it was incurred, rather than capitalising those costs and amortising them over several years.

	<b>6 months to 30 November 2024 £'000</b>	6 months to 30 November 2023 £'000	12 months to 31 May 2024 £'000
Operating profit/(loss)	4,543	(33,316)	(28,413)
Add back non-cash intangible asset amortisation charges for game developments and game technology	10,944	20,666	30,965
Add back non-cash intangible asset impairment charges	–	16,930	16,930
Deduct capitalised investment costs in game developments and game technology	(14,601)	(15,054)	(26,520)
Add back non-cash depreciation charges	1,693	1,904	3,782
Add back/(deduct) non-cash movements in unrealised exchange (gains)/losses on forward contracts	611	(114)	(37)
Add back non-cash share-based payment expenses	1,248	1,559	2,778
Add back restructuring costs	–	2,500	1,405
<b>Adjusted EBITDA profit/(loss)</b>	<b>4,438</b>	<b>(4,925)</b>	<b>890</b>