FRONTIER

CREATING MOMENTUM

FRONTIER DEVELOPMENTS PLC

ANNUAL REPORT AND ACCOUNTS 2025

ABOUT FRONTIER

ENDLESSLY CREATIVE VIDEOGAMES

Frontier is a leading independent developer and publisher of video games for PC and consoles, creating immersive and fun gameplay with high production values.

At Frontier, we specialise in crafting endless possibilities in playful, fun and creative worlds. Our games are all underpinned by our unwavering passion for creating compelling and innovative experiences that continue to inspire and delight our players.

We have created games that have defined genres, achieved critical acclaim, and reached millions of players. With a rich history spanning over 30 years, we are best known for our creative management simulation (CMS) games, including our most popular franchises: *Planet Coaster, Planet Zoo* and *Jurassic World Evolution*. Alongside our CMS games, our portfolio includes the well-established space exploration game *Elite Dangerous*, the *F1® Manager* franchise, and the tactical turn-based role-playing game *Warhammer 40,000: Chaos Gate – Daemonhunters*.

This year, we successfully executed the first stage of our strategic plan, marking a significant uplift in financial performance following the strategic reset in FY24. We continue to look to the future with ever-growing confidence.

HEADLINES

See a summary of the headlines for FY25, including our financial performance and strategic highlights, together with our latest news and outlook statement

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OUR PORTFOLIO AND ROADMAP

Find out about our established portfolio of game franchises and our future focus for development

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OUR BUSINESS MODEL AND PORTFOLIO STRATEGY

Read about how we achieve repeatable success to deliver long-term sustainable growth through our Select, Develop, Launch & Nurture approach

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OUR PEOPLE

Discover how we reward, develop and engage with our talented people

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EVOLVING AND GROWING

FY25: OUR REFOCUSED CMS STRATEGY DELIVERED

- Total Group revenue increased to £90.6 million (FY24: £89.3 million):
  - Revenue from Frontier's genre-leading CMS games grew 25% year on year, driven by the release of *Planet Coaster 2* in November 2024.
  - Frontier's three CMS game franchises – *Planet Coaster*, *Planet Zoo* and *Jurassic World Evolution* – together delivered 77% of total Group revenue in FY25 (FY24: 62%).
  - Back-catalogue revenue from established leading titles, comprising multiple CMS games and the ever-evolving *Elite Dangerous* space simulation, grew 4% year on year.
- A significant uplift in financial performance through strong trading, a lower operating cost base and the sale of publishing rights:
  - Adjusted Operating Profit* grew to £13.2 million (FY24: £4.6 million).
  - Adjusted EBITDA** grew to £9.4 million (FY24: £0.9 million).
  - Operating profit of £12.7 million in FY25, marking a significant recovery from a loss of £28.4 million in FY24 due to non-cash impairment charges for underperforming games.
- Financial position further strengthened:
  - Cash grew by £13.0 million to £42.5 million at 31 May 2025 (31 May 2024: £29.5 million), reflecting trading performance, tax credits and the sale of publishing rights.
  - A share buyback programme of up to £10.0 million was initiated in July 2025 to enhance shareholder value, with £4.4 million invested as at 31 August 2025.

FINANCIAL SUMMARY

REVENUE
£90.6M

ADJUSTED OPERATING PROFIT*
£13.2M

ADJUSTED EBITDA**
£9.4M

OPERATING PROFIT
£12.7M

CASH
£42.5M

FULL FINANCIAL REVIEW ON PAGES 07 TO 08

FY26 AND BEYOND: AN EXCITING PIPELINE OF CMS GAMES

- Three future CMS games are now in development, including a recently started project for release in FY28:
  - For FY26, *Jurassic World Evolution 3*, the third exciting instalment in the *Jurassic World Evolution* game franchise, is scheduled for release on 21 October 2025.
  - For FY27, a second CMS game, which is yet to be announced, is in full development and is on track.
  - For FY28, a third CMS game, which is also yet to be announced, will further evolve Frontier's expertise in the CMS genre.
- A positive outlook: having achieved growth in revenue, profit and cash in FY25, the Board is confident in Frontier's ability to deliver further annual growth in FY26 through nurturing and expanding our genre-leading game franchises.

* Frontier has introduced a new financial performance measure, Adjusted Operating Profit, to replace Adjusted EBITDA, to more accurately represent financial performance and more closely reflect cash generation. Adjusted Operating Profit measures Frontier's financial performance after eliminating non-cash development cost accounting adjustments (cost capitalisation, amortisation charges and impairment charges), non-cash share charges, non-operating items (including restructuring costs), and after recording the full benefits of tax and R&D expenditure credits against the expenditure they relate to.

** 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.

DEVELOPING OUR PORTFOLIO OF GENRE-LEADING GAME FRANCHISES

Loved by millions of players, our game franchises bring authentic, sophisticated simulations with endless creativity and countless possibilities. Our critically acclaimed portfolio of games consists of a wealth of diverse titles across PC and console platforms, using our internally developed proprietary COBRA technology. We enhance and nurture our base games by delivering additional content through both free and paid downloadable content (DLC/PDLC), following our 'Select, Develop, Launch & Nurture' model.

JURASSIC WORLD EVOLUTION

Our best-selling franchise to date has repeatedly delighted millions of players around the world. The latest addition to the game franchise, *Jurassic World Evolution 3*, will release on 21 October 2025, bringing highly sought-after juvenile dinosaurs and breeding programmes to our expanding community of players. We are working closely alongside and leveraging promotional support from Universal Pictures and Amblin Entertainment in the wake of their all-new film, *Jurassic World Rebirth*, released on 2 July 2025.

JURASSICWORLDEVOLUTION.COM

PLANET COASTER

Our first game in the franchise, *Planet Coaster* (2016), first paved the way for our nurturing strategy, and *Planet Coaster 2*, released on 6 November 2024, brings players all-new water park gameplay, incredible attractions, stunning scenery and authentic creative management. We continue to listen to, and engage with, our player community to improve and enhance their experience whilst we expand our player base.

PLANETCOASTER.COM

PLANET ZOO

Loved by millions since its release on PC in 2019, with 20 PDLC packs released since launch, we brought *Planet Zoo: Console Edition* to our PlayStation and Xbox players in March 2024, expanding our audience and bringing them over four years' worth of features, content and animals in the form of nine PDLC bundles.

PLANETZOOGAME.COM

OUR CMS-FOCUSED ROADMAP

Our roadmap continues to leverage our extensive experience within the tried and tested CMS genre, building on our portfolio of high-quality, genre-leading games with strong franchise potential, which keep our players engaged for years, and sometimes decades.

Alongside our CMS games and the continued development of Elite Dangerous, the Complex Games team, located in Winnipeg, Canada, are developing an exciting game which will build on their experience from previous titles.

Having released *Planet Coaster 2* in November 2024, our first CMS game since announcing our refocused strategy in 2023, we now have three more CMS games currently in development, with plans to release one in each of FY26, FY27 and FY28.

ELITE DANGEROUS

ELITE DANGEROUS

With over a decade of new content and continuously evolving narratives, our dedicated community of players remains engaged with *Elite Dangerous* (2014). The introduction of the early access sale of ships has driven almost 150% growth in revenue for FY25, supporting our ability to continue to nurture the game.

ELITEDANGEROUS.COM

FY26: JURASSIC WORLD EVOLUTION 3
Scheduled for release on 21 October 2025. Players can build their own Jurassic World like never before. Nurturing generations of awe-inspiring dinosaurs with the series debut of juveniles, creating and managing sprawling prehistoric parks around the globe, and letting their imagination roar with powerful new creative options.

FY27: UNANNOUNCED CMS GAME
Scheduled for release in FY27.

FY28: UNANNOUNCED CMS GAME
Scheduled for release in FY28.

CHAIRMAN'S STATEMENT

DELIVERING OUR PLAN

"The Board remains confident in our refocused strategic direction."

ILSE HOWLING
CHAIRMAN

Following our strategic reset in FY24, the last 15 months have been a period of meaningful progress for Frontier.

We delivered on all our key milestones and significantly strengthened our financial performance. Our exceptional portfolio of CMS franchises puts us in an excellent position to deliver long-term success.

The major release of FY25 was *Planet Coaster 2*, the first of three CMS games outlined in the FY24 Annual Report as the foundation of Frontier's development roadmap through FY27. The second title in that roadmap, *Jurassic World Evolution 3*, was announced on 6 June 2025 and is scheduled for release on 21 October 2025 (FY26). The third CMS game remains unannounced, with a planned launch in FY27. In light of the continued strength and scalability of the CMS portfolio, Frontier has now committed to developing an additional CMS title for release in FY28.

Financially, FY25 was a strong year. We delivered revenue growth, improved margins, and achieved substantial increases in both profit and cash generation. These results reflect the resilience of our portfolio, the inherent operating leverage within our business model, and operational improvements implemented across the organisation.

A key recent operational development was the formation of an Executive Board, in June 2025, to enhance the delivery of Frontier's strategic plans. This new team has brought together the Company's long-standing development expertise with broader player insights and market perspectives, while placing greater emphasis on the development of our people and teams.

Looking ahead, we are well positioned for the future. With a clear roadmap, a talented and passionate team, and a strong pipeline of titles, Frontier is focused on delivering high-quality, player-centric experiences that drive sustainable growth.

On behalf of the Board, I would like to thank our employees, partners and shareholders for their continued support. FY25 was a year of learning, delivery and renewed momentum and we are building on this foundation in FY26.

ILSE HOWLING
CHAIRMAN
9 September 2025

FOCUSED AND FUTURE READY

"We've strengthened our foundations, listened to our players, and are building a Frontier that's ready for our next phase of development."

JONNY WATTS
CHIEF EXECUTIVE OFFICER

We began FY25 with a clear plan to further strengthen our foundations and complete the first phase of our strategic long-term vision. I am pleased to report that, thanks to the hard work of our teams, we delivered.

CREATIVE MANAGEMENT SIMULATION: EVOLVING OUR CORE STRENGTH

Our CMS titles remain at the heart of Frontier's creative and commercial strategy, with our three CMS game franchises together delivering 77% of total revenue in FY25.

In November 2024, our *Planet Coaster* franchise saw the release of the much-anticipated sequel, Planet Coaster 2, which is the first of three next-generation CMS games confirmed in the refocused roadmap we set out in FY24. Sales of *Planet Coaster 2* have exceeded 600,000 units since launch, but initial player community sentiment was less positive than we had hoped for. We've responded with a clear strategy of regular content updates, gameplay enhancements, and ongoing community engagement. We are committed to supporting the game over the long term and fully realising its substantial potential, including through exciting new content. On 9 September 2025 we announced the Sorcery PDLC pack for release on 16 September 2025.

Meanwhile, our *Planet Zoo* franchise continues to be a standout performer in our portfolio. In March 2024, we brought the game to consoles for the first time, opening it up to a broader audience and extending its life-cycle. The console release has been well-received and reinforces the long-term value of the title. Now in its sixth year on PC, *Planet Zoo* remains a benchmark for depth and creativity in the genre, supported by a highly engaged and active community.

In June 2025, we announced exciting news for our third and biggest game franchise, *Jurassic World Evolution*, with the confirmation of *Jurassic World Evolution 3*, scheduled for release on 21 October 2025. This title builds on the strong foundations of its predecessor, *Jurassic World Evolution 2*, which continues to perform well and engage players globally. With new features, including juvenile dinosaurs, enhanced and expanded creative tools and an epic global campaign, *Jurassic World Evolution 3* represents another significant step forward for the franchise.

Our CMS-focused plan is to build a robust and sustainable pipeline of games that reflects our confidence in the genre and our ability to deliver high-quality, player-centric experiences. We are in full development of another CMS game for release in FY27, and we have now commenced development for another CMS game in FY28.

SUPPORTING OUR BROADER PORTFOLIO

We believe that *Elite Dangerous* is the industry category leader among massive-scale multi-player space simulation games, and a proof point for our ability to embrace new engagement and monetisation initiatives, including premium early-access content and colonisation. In FY25, we delivered several quality-of-life updates, new content and community-driven improvements, reinforcing our commitment to long-term support. The game's enduring popularity is a testament to the strength of the universe we've built and the passion of its players.

Meanwhile, our development team at Complex Games in Canada continues to develop an exciting game which will build on its experience from previous similar titles.

BUILDING FOR THE FUTURE

FY25 was a year of transformation following our strategic reset in FY24. The reshaping of our teams, and the cost reductions that we undertook in the preceding period, have enabled our organisation to become a more resilient, sustainable and scalable business, providing a stronger foundation that is better equipped to serve players and navigate the evolving games industry. The impact of our lower cost base, when combined with our trading performance, delivered a strong set of financial results in FY25, with revenue growing and significant increases in profit and cash generation.

In June 2025, we established our new Executive Board, which has already brought greater clarity and accountability to our leadership structure. We've sharpened our focus on delivery, improved cross-functional collaboration, and embedded a more agile approach to development, enhanced with strengthened player insight. These changes are already having a tangible impact on our performance and culture.

Looking ahead, our priorities are clear: deliver outstanding games, support them effectively post-launch, and continue to invest in our people and capabilities. With a strong pipeline, a clear strategy and a passionate team, I believe we are well placed to build on the momentum of FY25 and deliver sustainable growth in the years to come.

Thank you to our players for your feedback and support, to our partners for your collaboration, to our shareholders for your patience, and to the entire Frontier team for your creativity, resilience and commitment.

J. F. Watts

JONNY WATTS
CHIEF EXECUTIVE OFFICER
9 September 2025

WHAT MAKES FRONTIER SPECIAL

Our extensive experience and world-class team provide us with key competitive advantages in the exciting and challenging world of video games.

OUR EXPERIENCE

We use our experience, gained from a track record in the games industry over three decades, to inform our decision-making and create games that build on our world-class expertise.

OUR STRATEGY

Our strategy to carefully select, develop, launch and nurture games which align with our skills and experience, and which have the potential to engage with players over many years through new content, continues to be highly effective. Our particular speciality is CMS games.

OUR PEOPLE

Our extensive team of world-class people brings exceptional talent, which is instrumental in ensuring that we make and deliver authentic games that define genres and receive critical acclaim.

OUR TECHNOLOGY

Our development process uses our unique proprietary COBRA tools and technology to facilitate innovative features.

OUR AUDIENCES

We have passionate, engaged audiences, and we strive to delight them with our continued innovative developments.

OUR PARTNERSHIPS

We work closely with our selected partners, including owners of world-renowned IP, to grow our audience, monetise our games and bring new games to market.

OUR ONGOING EVOLUTION AND INNOVATION

Our industry is constantly changing. Our performance and adaptability to date position us well to continue to thrive in the ever-changing games sector.

STRONG FINANCIAL PERFORMANCE

"Our plan is delivering profitable and sustainable growth."

ALEX BEVIS
CHIEF FINANCIAL OFFICER

Frontier's sharpened focus on CMS games, combined with a sustainable cost base, delivered a significant uplift in profitability and cash generation in FY25. Revenue also increased year on year, placing the Group in a strong and confident position to pursue further sustainable growth in FY26, through the continued development and expansion of its genre-leading franchises.

REVENUE

Frontier's portfolio of CMS games performed strongly in FY25, driving total revenue to £90.6 million, up from £89.3 million in FY24. The three CMS franchises, *Jurassic World Evolution*, *Planet Zoo*, and *Planet Coaster*, together accounted for 77% of total revenue, compared to 62% in the previous year. The *Planet Coaster* franchise delivered a near 200% year-on-year revenue increase, driven by the launch of *Planet Coaster 2* in November 2024. *Planet Zoo* revenue grew by 2%, supported by the release of *Planet Zoo: Console Edition* in March 2024 and continued content updates for both console and PC players. Revenue from the *Jurassic World Evolution* franchise remained strong at 96% of FY24 levels, as the franchise prepares for its next major release, *Jurassic World Evolution 3*, scheduled for 21 October 2025.

Outside the CMS portfolio, *Elite Dangerous*, Frontier's long-standing space exploration title, delivered excellent revenue growth of 76% year on year, supported by new content and increased player engagement.

GROSS PROFIT

Gross profit increased to £63.3 million in FY25, up from £61.3 million in FY24. This growth was driven by both higher revenue and an improved gross margin of 70%, compared to 69% in the prior year. The margin improvement reflects a greater share of revenue from own-IP games, which do not incur IP royalty costs.

OPERATING COSTS

Total operating expenditure under IFRS, which includes research and development, sales and marketing and administrative expenses and restructuring costs, declined by 42% to £54.6 million from £94.6 million in FY24. Approximately three-quarters of this reduction related to non-cash development cost accounting under IAS 38. The most significant factor was a £28.2 million reduction in amortisation and impairment charges for intangible assets related to game developments and technology. These charges fell to £19.7 million in FY25, compared to £47.9 million in the prior period, with costs in FY24 including a £16.9 million impairment charge for an underperforming title. Capitalised development costs under IAS 38 increased to £28.3 million in FY25, representing 72% of cash expenditure, compared to £26.5 million, or 58% of cash expenditure, in FY24. The increase in the percentage of cash expenditure capitalised reflects the strategic refocus on CMS games and the corresponding reallocation of employees to capitalisable projects.

From FY26, Frontier has adopted Adjusted Operating Profit as its primary financial performance measure, replacing Adjusted EBITDA. The Group believes this change provides a more accurate reflection of underlying financial performance and cash generation, including the benefits from tax and R&D expenditure credits. Adjusted operating expenditure in FY25, as recorded under the new Adjusted Operating Profit performance measure, declined 13% year on year to £54.0 million (FY24: £62.0 million), following cost-saving measures implemented in FY24, including headcount reductions and the closure of the Frontier Foundry publishing label. Adjusted operating expenditure, as measured under Adjusted EBITDA, fell by 11% to £57.8 million, down from £65.3 million in FY24.

OTHER OPERATING INCOME

Gains from the sale of game publishing rights generated £3.9 million of other operating income in FY25 (FY24: £4.9 million).

On 1 April 2025, Frontier sold the publishing rights for *Stranded: Alien Dawn* to Paradox Interactive AB for a one-time payment of £3.6 million, following their acquisition of Haemimont Games AD. The game, developed in collaboration with Haemimont and published under the Frontier Foundry label in October 2022, had an intangible asset value of £0.1 million at the time of sale. The net gain of £3.5 million has been recorded as other operating income in the FY25 consolidated income statement.

The remaining £0.4 million of other operating income in FY25 arose from an upward remeasurement of the value from the FY24 sale of the publishing rights for *RollerCoaster Tycoon 3* (RCT3), due to a stronger-than-expected sales performance of RCT3 during FY25, which led to an acceleration in the expected receipt of contingent consideration payments.

FINANCIAL PERFORMANCE

Adjusted Operating Profit, Frontier's updated measure of cash profitability, rose to £13.2 million in FY25, up from £4.6 million in FY24. This £8.6 million improvement was driven by strong trading performance, a leaner cost base, and income from the sale of publishing rights. Adjusted EBITDA also improved significantly, reaching £9.4 million in FY25 compared to £0.9 million in FY24.

Under IFRS, the Group reported an operating profit of £12.7 million in FY25, a substantial turnaround from the £28.4 million operating loss recorded in FY24. This improvement reflects both the reduction in amortisation and impairment charges and the strengthening of underlying financial performance.

CORPORATION TAX, TAX CREDITS AND R&D EXPENDITURE CREDITS

Frontier continues to benefit from several tax incentive and R&D expenditure credit schemes that provide tax credits and enhanced tax deductions from our investment in game developments. The benefits from those schemes, together with tax adjustments for prior periods, generated a corporation tax credit in the Group's FY25 income statement of £4.0 million (FY24: £7.0 million). The year-on-year reduction resulted mainly from two factors: a reduction in the value of tax credits and enhanced deductions following cost reductions made during FY24; and an improvement in annual financial performance which transitioned the Company to generate a taxable profit in FY25, compared with a tax loss for FY24.

The payment of tax and R&D expenditure credits relating to each financial year are typically received in the statement of financial position. At 31 May 2025, the combined balance of current tax assets and R&D expenditure credits receivable was £6.4 million (31 May 2024: £7.2 million), reflecting the expected cash inflows in FY26 from tax and R&D expenditure credits related to expenditure incurred in FY25. The majority of the total receivable balance of £6.4 million related to tax credits from the UK's Video Games Tax Relief (VGTR) scheme, with the remaining amounts receivable from the Research and Development Expenditure Credit (RDEC) scheme in the UK, as well as other UK and Canadian tax incentive schemes.

We are working through the transition from VGTR to the Video Games Expenditure Credit (VGEC) scheme, which will become mandatory for all games from 1 April 2027. We don't expect the new VGEC scheme to materially impact the value of our claims, but there are likely to be some changes to how tax credits are accounted for within our income statement, since different accounting rules are applied to the tax credits receivable from VGEC compared with VGTR. We'll provide an update on the impact in our FY26 financial statements.

PROFIT AFTER TAX AND EARNINGS PER SHARE

Profit after tax for FY25 was £16.4 million (FY24: loss after tax of £21.5 million) and the basic earnings per share was 42.4p (FY24: loss per share of 55.6p).

CASH POSITION AND CASHFLOW

Frontier remains well capitalised and has no debt, with £42.5 million of cash at 31 May 2025 (31 May 2024: £29.5 million) and £39.4 million at 31 August 2025. The significant increase in cash during FY25 reflected a strong trading performance, lower operating costs, the receipt of tax credits relating to FY24, and the sale of the publishing rights for *Stranded: Alien Dawn*.

SHARE BUYBACK PROGRAMME

On 8 July 2025, Frontier launched an on-market share buyback programme for up to a maximum aggregate consideration of £10 million to reduce the Company's share capital. As at 31 August 2025 1,187,544 shares have been purchased for an aggregate consideration of £4.4 million, representing an average price per share of 372p.

The share buyback is returning surplus capital to shareholders, improving return on equity and increasing earnings per share, while maintaining the financial headroom to invest in the Group's strategy to confidently deliver sustainable growth.

PLC BOARD AND EXECUTIVE BOARD

In June 2025, Frontier created an Executive Board to enhance the delivery of Frontier's strategic plans, reporting to the PLC Board of Directors. Three new senior roles were created to establish the Executive Board, with each reporting directly to Jonny Watts, Chief Executive Officer. In June 2025, Yvonne Dawes was promoted to Chief People Officer and Piers Jackson to Chief Development Officer. In August 2025, Jo Cooke joined Frontier as Chief Marketing Officer. Effective 1 September 2025, following the successful establishment of the Executive Board and the resulting redistribution of responsibilities, the Nominations Committee of the PLC Board approved a change for Alex Bevis, Chief Financial Officer, to reduce his average working pattern to three days per week, whilst remaining flexible to the needs of the business.

The members of the PLC Board and Executive Board are as follows:

PLC Board of Directors: Jonny Watts, David Braben and Alex Bevis (Executive Directors); Ilse Howling, Leslie-Ann Reed, David Walsh and James Mitchell (Non-Executive Directors).

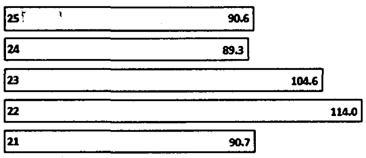
Executive Board: Jonny Watts (CEO), Alex Bevis (Finance), James Dixon (Operations), Piers Jackson (Development), Jo Cooke (Publishing), Yvonne Dawes (People), Jessica Bourne (Legal).

ALEX BEVIS
CHIEF FINANCIAL OFFICER
9 September 2025

MEASURING OUR PERFORMANCE

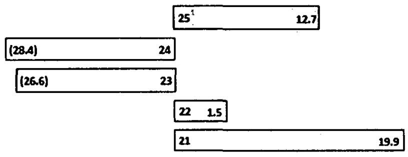
Revenue (£m)

£90.6M



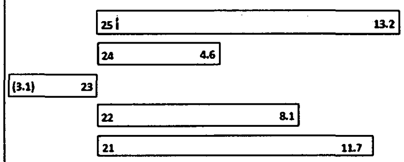
Operating Profit/(Loss) (£m)

£12.7M



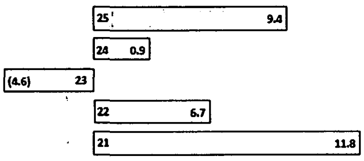
Adjusted Operating Profit/(Loss)* (£m)

£13.2M



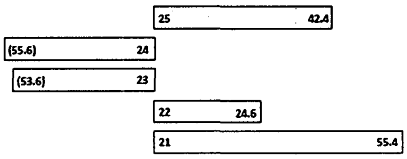
Adjusted EBITDA (£m)**

£9.4M



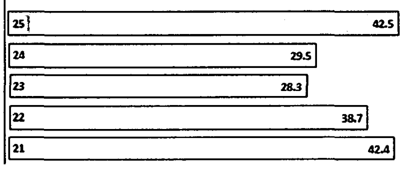
Basic EPS (p)

42.4p



Cash Balance (£m)

£42.5M



* Adjusted Operating Profit measures Frontier's financial performance after eliminating non-cash development cost accounting adjustments (cost capitalisation, amortisation charges and impairment charges), non-cash share charges, non-operating items (including restructuring costs), and after recording the full benefits of tax and R&D expenditure credits against the expenditure they relate to.

**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.

ADDITIONAL PERFORMANCE 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 interest, tax, 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.

	12 months to 31 May 2025 £'000	12 months to 31 May 2024 £'000
Operating profit/(loss)	**12,651**	(28,413)
Restructuring costs	**–**	1,405
Depreciation and amortisation	**23,435**	36,892
Impairment of other intangible assets	**–**	16,930
EBITDA	**36,086**	26,814

EBITDA

£36.1M

ADJUSTED OPERATING PROFIT

Our Adjusted Operating Profit measure, in our view, provides a fairer representation of 'cash profit' than both Operating Profit and EBITDA (earnings before interest, tax, depreciation and amortisation). Adjusted Operating Profit measures Frontier's financial performance after eliminating non-cash development cost accounting adjustments (cost capitalisation, amortisation charges and impairment charges), non-cash share charges, non-operating items (including restructuring costs), and after recording the full benefits of development-related tax and R&D expenditure credits against the expenditure they relate to. This effectively provides the cash profit figure that would have been achieved if we expensed all game development investment as it was incurred, net of those tax and R&D expenditure credits, rather than capitalising those costs and amortising them over several years. The new measure also includes the lease costs of our studios, which are a material operating cost. These were previously excluded from Adjusted EBITDA due to these costs being recorded as depreciation under IFRS 16 Leases.

	12 months to 31 May 2025 £'000	12 months to 31 May 2024 £'000
Operating profit/(loss)	**12,651**	(28,413)
Add back non-cash intangible asset amortisation charges for game developments and game technology	**19,677**	30,965
Add back non-cash intangible asset impairment charges	**–**	16,930
Deduct capitalised investment costs in game developments and game technology	**(28,279)**	(26,520)
Add back non-cash share-based payment expenses	**2,368**	2,778
Add back restructuring costs	**–**	1,405
Adjustment to record the full benefits of tax and R&D expenditure credits against the expenditure they relate to	**6,767**	6,594
Adjustments to tax and R&D expenditure credits of prior years	**62**	837
Adjusted Operating Profit	**13,246**	4,576

ADJUSTED OPERATING PROFIT

£13.2M

KEY PERFORMANCE INDICATORS – NON-STATUTORY MEASURES CONTINUED

ADJUSTED EBITDA

As communicated on 11 June 2025, Frontier has switched its primary alternative performance measure from Adjusted EBITDA to Adjusted Operating Profit. This change provides a more accurate representation of Frontier's performance and more closely reflects cash generation, including the recognition of tax and R&D expenditure credits. For FY26 onwards, we will cease to report Adjusted EBITDA and only report Adjusted Operating Profit.

	12 months to 31 May 2025 £'000	12 months to 31 May 2024 £'000
Operating profit/(loss)	**12,651**	(28,413)
Add back non-cash intangible asset amortisation charges for game developments and game technology	**19,677**	30,965
Add back non-cash intangible asset impairment charges	**–**	16,930
Deduct capitalised investment costs in game developments and game technology	**(28,279)**	(26,520)
Add back non-cash depreciation charges	**3,286**	3,782
Deduct non-cash movements in unrealised exchange gains on forward contracts	**(273)**	(37)
Add back non-cash share-based payment expenses	**2,368**	2,778
Add back restructuring costs	**–**	1,405
Adjusted EBITDA	**9,430**	890

ADJUSTED EBITDA

£9.4M

OUR BUSINESS MODEL

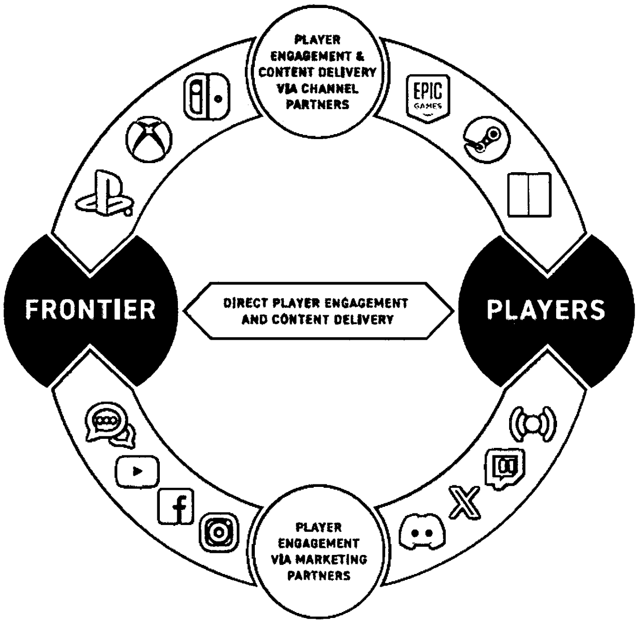
Our business model is the development and publication of engaging, genre-leading interactive digital entertainment to target player audiences. Operating successfully in this model delivers for all three of our key stakeholder groups: our players; our people; and our shareholders.

CREATING OUR CONTENT

- We focus on games with strong franchise potential, primarily on PC and console. Audiences on these platforms tend to value games that exhibit Frontier's key development strengths of creating deep, immersive and high-fidelity games.
- In order to maximise the return on our core skills and assets, we target game genres where we have established expertise within our teams and intellectual property. The CMS genre is our strongest sector in terms of skills and experience.
- We invest in the creation of our games and supporting content, using our world-class team, supplemented by our outsource partners.
- Our development process uses our proprietary COBRA development tools and technology to facilitate innovative features and the creation of top-quality games with strong differentiation for PC and console audiences.
- We also use industry-leading tools and technology where appropriate, particularly where a large amount of outsource work is required.
- We use online channels to create and engage with player communities during game development. This practice provides a valuable source of feedback. Creating and nurturing these player communities provides excellent advocacy for each title prior to launch and long into each game's life-cycle.

PUBLISHING OUR CONTENT

- Our publishing division consists of several strong multi-disciplinary teams covering commercial, marketing, PR, community, and influencer management, as well as a full service in-house creative team.
- We bring our content to market through strong data-driven product launches, directly targeting our selected player audiences and leveraging our relationships with partner platforms and distribution channels.
- With each of our games, we plan for the long term and how best to support and sustain the audience for each release throughout the entire product life-cycle.
- Our dedicated publishing team monitors progress based on sentiment towards the games, the success of each of the distribution channels and platforms, and the uptake of additional content, both free and paid, allowing us to reach the widest possible audience over time.
- Free content is a valuable tool that we use to quickly respond to our communities, to retain and re-engage our audiences while reinforcing positive sentiment. Paid content not only drives monetisation but also attracts new players, as new releases generate online coverage on platforms like YouTube and Twitch, boosting sales of the base game as well as other expansion content.
- We monitor the geographical performance of our titles, evaluating sales and engagement data versus expectations in each territory.



OUR BUSINESS MODEL AND PORTFOLIO STRATEGY CONTINUED

OUR PORTFOLIO STRATEGY

Our strategy for long-term, sustainable success within our chosen business model incorporates four key elements: Select, Develop, Launch & Nurture.

SELECT

We seek out opportunities to create immersive games in proven but under-served markets, with a focus on genres and themes that align with our experience and expertise. We have a particularly strong track record in the CMS segment, having established and grown three successful CMS franchises: *Planet Coaster*, *Planet Zoo* and *Jurassic World Evolution*.

DEVELOP

We start our development projects with a relatively small team of people – focusing on scoping, analysing and planning. This is essential to determine whether we will proceed into full development. Once we have made the decision to proceed – and as we progress further through the 'Develop' phase – the number of people working on a new game development grows, and a wider range of disciplines become involved. At the peak, we will usually have well over 100 Frontier employees contributing to a project, often supported by additional resources from outsourced partners.

LAUNCH

As we progress towards release, our publishing team will create and execute launch plans, which will usually be focused on establishing and supporting a community of players. This community-focused approach may start six months or more before release. The 'Launch' phase is very important. We want each game release to be as positive as possible. However, it's also typically the start of a long journey of post-release engagement and nurturing, which incorporates new content and active community support.

NURTURE

Following our 'Launch' goal, which is to achieve genre-leading status, our 'Nurture' goal is to then maintain that status for an extended period, measured in years. This is achieved through engaging existing players with new content and community support, and by reaching more and more players over time to continuously grow our game communities.

OUR TEAM, OUR STRENGTH

Our people are fundamental to our Company's achievements. At Frontier, we believe in creating an environment where people can truly thrive. We are committed to fostering a culture of ambition, teamwork, collaboration and accountability, ensuring that every team member has the opportunity to excel.

Our talented team is committed to nurturing our current portfolio of games while advancing our strategic roadmap. We are dedicated to developing innovative, industry-leading titles and immersive worlds that engage our broad player communities. We foster a culture of creativity, encourage innovative thinking, and promote adaptability in response to change. By prioritising key objectives, we empower our employees to work efficiently, enhance productivity, and consistently deliver high-quality games.

We employ individuals with distinct skills and diverse backgrounds, fostering a highly capable and multifaceted team. The breadth of experience and perspectives among employees is instrumental in advancing our organisational objectives. We are committed to cultivating an inclusive environment, exemplified by our Employee Forum, Advocacy Groups and employee-driven a lyship, which serve as effective platforms for constructive feedback and increased awareness.

We consistently provide avenues for social engagement through organised employee events and sustain connectivity with our hybrid workforce via multiple communication channels, including internal livestreams. These efforts allow us to effectively communicate our shared vision of developing, launching and supporting world-class games, thereby positioning Frontier and the broader gaming sector at the forefront of global entertainment.

ENHANCING EMPLOYEE ENGAGEMENT

Frontier's commitment to employee engagement is evident in its comprehensive approach to understanding and addressing the needs of its people. Through the annual Staff Survey and Employee Forum, Frontier gathers valuable insights, celebrates successes and identifies areas for improvement. By prioritising the wellbeing and engagement of employees, Frontier is laying the foundation for sustained organisational success.

In the past year, Frontier has established a new Employee Forum, with the aim of enhancing the overall employee experience, encompassing the work environment, internal communications and organisational culture. Since its inception, the Employee Forum has actively addressed matters including the annual Staff Survey, internal communications, studio workplace conditions, wellbeing initiatives, equipment and resource allocation, as well as compensation and professional development.

The Employee Forum has played a pivotal role in facilitating positive change within the organisation across several key areas:

Staff Survey Action Plan: The Forum gave valuable feedback and additional insights surrounding our annual Staff Survey. Members offered constructive feedback on how we present the results and actions to better demonstrate how employees' feedback is being used to shape the Staff Survey Action Plan, which was integrated prior to its submission to the Senior Management Team and broader company.

Internal Communications: The Forum solicited and consolidated feedback regarding the Studio Communications and Engagement strategy. Discussions covered communication channels, employee representation and managing organisational change. This input influenced the design and implementation of content and initiatives, such as communication campaigns, game launch keepsakes and employee events.

Studio Working Environment: The Forum gathered comprehensive feedback on aspects of the studio working environment, including facilities, kitchenettes and the canteen. Members collected both qualitative and quantitative data, which underscored the need for enhancements in décor, flexibility of spaces and noise control measures.

Wellbeing Strategy: As a focus group, the Forum provided valuable insights on wellbeing strategies and campaigns, advising HR on methods to strengthen short-term and long-term wellbeing support and awareness.

Advocacy Groups: The Forum identified opportunities for establishing new employee-led Advocacy Groups, further supporting staff engagement and inclusion.

STAFF SURVEY 2025 COMPLETION RATE:

86%

OUR PEOPLE CONTINUED

OUR PEOPLE STRATEGY

FOSTERING CREATIVITY, ADAPTABILITY AND LEADERSHIP

We encourage our teams to bring creative and critical thinking to their roles; to remain adaptable and always be prepared for change; and to be effective, inspirational leaders to pave the way for the next generation of leadership.

Our people are critical to achieving our continued success. Our people strategy continues to focus on five key areas that are reflective of our current goals for the future. These have been guided by direct feedback from our employees through our annual Staff Survey and Employee Forum.

ENGAGEMENT
We strive to engage our people and encourage them to connect with Frontier, reinforcing the belief that they are a valued part of our team which is key to our success. In addition to the annual Staff Survey, we have introduced employee groups dedicated to giving feedback directly to members of the Executive Board, which helps us to shape and enhance our employee experience. We continue to invest in social activities and events which drive networking and socialising. We also engage and connect with our people to include and inform them about our games in development.

MANAGEMENT AND LEADERSHIP
Our leaders and managers play a crucial role in helping their teams to thrive. We aim to develop managers and leaders to grow their skills, behaviours and mindsets to achieve this. We want them to inspire, identify and develop the next generation of leaders which, in turn, will support the productivity, engagement and innovation of our people.

CAREERS.FRONTIER.CO.UK

PERFORMANCE AND DEVELOPMENT
As an inclusive, diverse, people-oriented company, we aim to ensure that people at Frontier are appropriately challenged, that there is a high-performance culture and that there are opportunities for everyone to grow. Supporting effective performance management maximises the value that employees can bring, preparing them for career growth and progression, and ensuring everyone's goals are aligned with our Company objectives.

REWARD AND RECOGNITION
We offer flexible, sustainable and fair rewards and have recognition mechanisms to help us identify outstanding skills and behaviours. We will continue to reward people for their individual achievements while ensuring that everyone is able to share in Frontier's success.

RETENTION AND TALENT
Talent acquisition is focused on delivering the right experience, skills and behaviours which align with our culture and which enable us to achieve our strategic aims. We will continue to nurture our people by making conscious efforts to retain our talented team through boosting engagement, supporting development, offering rewards and recognising excellence.

We believe that authentic games last a lifetime and, in order for us to continue making creative, innovative games, we need to engage, support and invest in our people."

SECTION 172 STATEMENT

ENGAGING WITH OUR STAKEHOLDERS

Statement by the Directors in relation to their statutory duty in accordance with S172(1) of the Companies Act 2006.

Under S172 of the Companies Act 2006 (the 'Act'), directors of UK companies have a duty to promote the success of their company for the benefit of the members as a whole. The purpose of the strategic report within a company's annual report and accounts has always been to inform members about how directors have performed their S172 duties. Over time, the Government noted that the content, format and overall quality of information presented in strategic reports published by different companies varied enormously. To address this, the Government added a requirement for all large companies to include a separate 'S172 Statement' in their strategic reports to improve consistency and quality.

The Board of Directors of Frontier Developments plc (the 'Company') has always taken its duties under S172(1) of the Act seriously. The Directors consider that they have acted in a way that would promote the success of the Company for the benefit of its members as a whole in the decisions they have taken during the year ended 31 May 2025. In making this statement, the Directors considered the longer-term consideration of stakeholders and have taken into account the following matters:

a) the likely consequences of any decisions in the long term;

b) the interests of the Company's employees;

c) the need to foster the Company's business relationships with suppliers, customers and others;

d) the impact of the Company's operations on the community and the environment;

e) the desirability of the Company maintaining a reputation for the high standards of business conduct; and

f) the need to act fairly between members of the Company.

Our business model and strategy as set out on pages 12 and 13 describe our approach to creating and publishing our content, which is at the heart of our stakeholder engagement, delivering long-term value to all our stakeholders.

The Board considers Frontier's key stakeholders to be players, employees, shareholders and business partners and also acknowledges that there is a wider responsibility to the community in which the Company operates. Our culture and employee welfare is a particular focus for the Company and pages 14 to 16 display our people strategy and the working environment. Investor relations form part of the Board's responsibilities and the many ways in which we communicate with our shareholders are shown on page 19. Our business partners share in our continued success, as explained in our business model and portfolio strategy on pages 12 and 13. We set out on page 38 our approach to social responsibility to the local community.

HOW WE ENGAGE WITH OUR STAKEHOLDERS

The Directors take the views of our stakeholders into account when making important, long-term decisions.

Our strategy of long-term sustainable growth is described on pages 12 and 13 and our current and future portfolio of games is set out on pages 2 and 3. Building our portfolio requires input from all of our stakeholders to ensure we are producing high-quality and engaging games, which in turn provide a long-term benefit to our members. Our approach to continued stakeholder engagement is set out below:

OUR PLAYERS

WHY OUR PLAYERS ARE IMPORTANT
Our players are our core customers and are integral to everything we do. We shape our decisions around them, generating content they will love for years and decades to come. Their purchases of our games and downloadable content drive our revenue, in turn allowing us to invest that back into developing and nurturing our games.

WHAT MATTERS TO OUR PLAYERS
Players desire high-quality, immersive experiences, with freedom to be creative and become part of a community. Feeling heard and being able to shape content and features truly matters to players and earns their respect and commitment to our games.

HOW WE ENGAGE WITH THEM
We build and maintain social communities for each of our games. From our in-house recording studio, we produce monthly livestreams, called Frontier Unlocked, to reveal the latest updates and features of our titles, developing creative, engaging new ways to connect with our players on a social level. Exhibiting at events, such as gamescom, gives players the opportunity to experience our games, allowing them exclusive access to preview our upcoming titles, as well as providing exciting new opportunities for our influencers to play and share our games with their audiences ahead of launch.

OUTCOMES OF ENGAGEMENT
Through building meaningful relationships with a network of global influencers, we're able to reach greater audiences across platforms such as YouTube, Twitch, TikTok and more. Our team pairs the right influencers with the right games to ensure our influencers are passionate about the titles they're playing and promoting, helping them to create meaningful and engaging content. Our customer support feedback from players influences the bug fixes and content updates we make, ensuring we are responsive and reactive to our players.

OUR PEOPLE

WHY OUR PEOPLE ARE IMPORTANT
Our people are critical to achieving our continued success, creating and supporting our games, and delivering our strategic goals.

WHAT MATTERS TO OUR PEOPLE
Employees appreciate having a sense of worth, a platform to provide feedback and be heard, and effective leadership and management. They value recognition and rewards for their dedication and hard work, along with being informed about the Company direction and strategy.

HOW WE ENGAGE WITH THEM
Employee engagement is one of the major focus areas of our people strategy. Staff Surveys are conducted annually to encourage an open, transparent and honest feedback culture. The results of these surveys are presented to the Board and are used in the decision-making process to ensure that important issues reflect employee feedback. Our employee groups provide feedback on both employee experience and social activities. All employees are encouraged to have regular performance and development reviews with their line managers. We offer competitive rewards and remuneration packages including base salary, bonus and a suite of flexible benefits which include wellbeing support and options. Share options are awarded to senior employees to recruit, retain and motivate these key members of staff to help drive the success of the Company. We drive connectivity, networking, and alignment on our projects and the Company overall through our various internal communications channels, such as internal livestreams to broadcast Company updates and game news internally.

OUTCOMES OF ENGAGEMENT
Our Staff Survey results contribute to our people strategy, shaping our decisions around employee experience. Performance and development reviews ensure that employees are working to agreed objectives to support the overall Company plan and to set training and development goals. We conduct annual salary reviews and set a profit-based bonus plan to ensure we remain competitive while continuing to be sustainable in our approach to rewards and remuneration. Our internal communications and events drive a fun and engaging culture, where employees socialise at events such as our regular Studio Socials, major game celebrations, and two annual parties: our Summer Party and Winter Party.

"Building our portfolio requires input from all of our stakeholders to ensure we are producing high-quality and engaging games."

OUR BUSINESS PARTNERS

WHY OUR BUSINESS PARTNERS ARE IMPORTANT
Our games and game franchises benefit from the strong ongoing business relationships we have built throughout our history, including partnerships with video game platforms, channel partners, IP owners, and developers.

WHAT MATTERS TO OUR BUSINESS PARTNERS
Collaborative and open communication to help support one another, using the tools at each of our disposal to generate community and revenue growth, along with creating high-quality titles to ensure the players have the best experience on their chosen device.

HOW WE ENGAGE WITH THEM
During FY25, we continued to evolve our existing relationships and develop new partnerships through virtual and in-person meetings, and attendance at industry events. Our IP partners include Universal Games (*Jurassic World Evolution* franchise), F1® (Formula One Digital Media Limited and Formula Motorsport Limited) (*F1® Manager 2022, F1® Manager 2023*, and *F1® Manager 2024*), and Games Workshop (*Warhammer 40,000: Chaos Gate – Daemonhunters* and *Warhammer Age of Sigmar: Realms of Ruin*). Our digital platforms and physical publishers include Valve, Microsoft, Sony, Nintendo, Epic, Genba, Ztorm, Nuuvem, Amazon, HeyBox, Green Man Gaming, Humble and Fireshine Games.

OUTCOMES OF ENGAGEMENT
Our most successful IP partnership to date, with Universal Games, has enabled us to create our biggest game franchise so far, in *Jurassic World Evolution*. We look forward to delivering the third instalment of the franchise on 21 October 2025. Strong business relationships with platform and channel partners enable us to secure promotional support and subscription deals which boost revenue and player engagement.

OUR SHAREHOLDERS

WHY OUR SHAREHOLDERS ARE IMPORTANT
Frontier is owned by our shareholders and our ultimate goal is to deliver long-term sustainable growth and strong financial performance to maximise shareholder value.

WHAT MATTERS TO OUR SHAREHOLDERS
Our shareholders prioritise sustainable financial returns, strategic focus and responsible investment in innovation. They value transparency, strong governance, and our ability to deliver high-quality games that drive long-term growth and market relevance.

HOW WE ENGAGE WITH THEM
Twice-yearly roadshow investor events are held to coincide with the interim and annual results. These roadshows present the financial results and provide insight to the investors on the Company's performance and strategy.

Outside of the roadshow schedules, there are regular opportunities for investors to meet with the Chairman, CEO and CFO through one-to-one meetings and investor conferences.

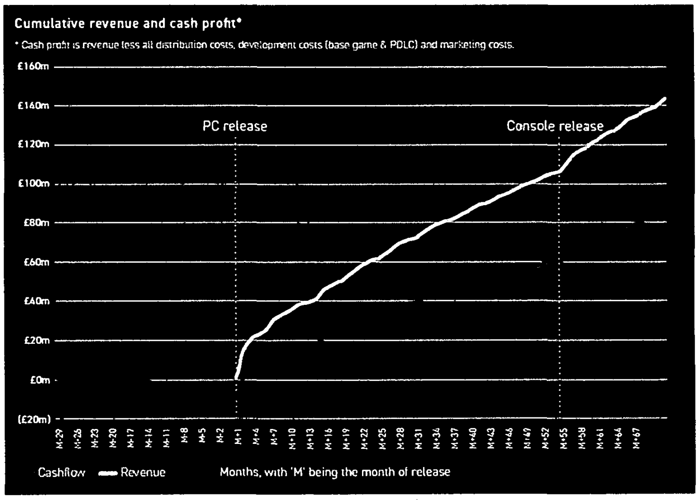
OUTCOMES OF ENGAGEMENT
During FY25, we continued to strengthen long-term relationships with our shareholders through clear, consistent and transparent communication. Shareholder feedback remains an important input into Board discussions, helping to shape strategic decisions and ensure alignment with investor expectations.

OUR BUSINESS MODEL AND PORTFOLIO STRATEGY IN ACTION – *PLANET ZOO*

In 2017, following the successful launch of *Planet Coaster* in 2016, and with *Jurassic World Evolution* in full development for release in 2018, Frontier reviewed a number of proposals for developing a new game for release in 2019. With a successful track record in animal-focused games, including *Zoo Tycoon*, *Kinectimals*, and *Dog's Life*, the thorough selection process led to *Planet Zoo* emerging as the next game development. The project would also benefit from Frontier's growing experience in the technically challenging field of authentic animal animation through the ongoing development of *Jurassic World Evolution*, with the innovations from that game further evolving and growing Frontier's powerful proprietary game engine, *Cobra*.

Frontier scaled up to full development during early 2018, and in April 2019 *Planet Zoo* was revealed to the world. It was released first on PC in November 2019 following an engaging launch campaign which included beta access for players who pre-ordered the Deluxe Edition. The response from players and critics at launch was highly positive, enabling Frontier to build on this platform over the next 12 months and subsequent years with free updates and paid downloadable content (PDLC) packs. In March 2024 Frontier significantly expanded the audience for *Planet Zoo* with the release of *Planet Zoo: Console Edition* on PlayStation and Xbox. After almost six years from its first release on PC, 20 PDLC packs are available to allow players to enrich their zoos with additional new animal species, with PDLC generating 43% of total lifetime revenue.

The strategy to nurture *Planet Zoo* through new content and new platforms during a period of almost six years from its first release has created our biggest selling and most financially successful game to date. As at 1 September 2025, *Planet Zoo* has sold over 5 million base game units across PC and console, and has achieved over £143 million of revenue and over £85 million of cash profit. This chart illustrates the strength and length of *Planet Zoo's* delivery of revenue and cash profit.



A SUSTAINABLE, CONSIDERATE APPROACH

We have always endeavoured to conduct business in a considerate, responsible and ethical manner. To do this, we place our key stakeholders – our people, our players, our partners, our investors and the public – at the core of everything we do. We aim to be an industry leader for creating games which, in themselves and through the process of creating and nurturing them, resonate with the key environmental, social and governance (ESG) principles of our stakeholders.

VISIT THE HUB AT
FRONTIER.CO.UK/ESG-HUB

ESG INFORMATION HUB

Our ESG hub is a dedicated section of our website which consolidates all of our ESG information in one place. It enables our investors, our partners, our players, our people and the public to access all the latest Frontier news, data, statements and policies relating to ESG topics.

ESG IN THIS ANNUAL REPORT

The best place to access our latest ESG information is by visiting the ESG hub. However, this Annual Report also contains the following items, which are associated with ESG topics:

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)
PAGE 32

GREENHOUSE GAS EMISSIONS STATEMENT
PAGE 33

BUSINESS MODEL AND PORTFOLIO STRATEGY
PAGE 12

PEOPLE
PAGE 14

MANAGEMENT OF RISK
PAGE 22

CORPORATE GOVERNANCE
PAGE 35

FUTURE ESG PLANS

Frontier strives for quality. This includes a quality approach to our internal and external systems, which have an impact on our stakeholders and the wider world. We continue to review opportunities for our ESG processes, as well as improve communications of our progress through ESG reporting. Any new initiatives will be reviewed periodically to ensure we continue to evolve with new data and protect and strengthen our alignment with stakeholder values.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

In accordance with Sections 414CA and 414CB of the Companies Act 2006, which outline requirements for non-financial reporting, the table below signposts to content in this Annual Report, relevant to the management, performance and position of the Group, and the impact of our activities in specific non-financial areas.

Non-financial matter and relevant sections of Annual Report	Page / link reference
Business model	Business model (pages 12, 13 and 20) Stakeholders (pages 18 and 19)
Environmental matters	ESG Hub FRONTIER.CO.UK/ESG-HUB
Climate	Task Force on Climate-related Financial Disclosures (pages 32 and 33)

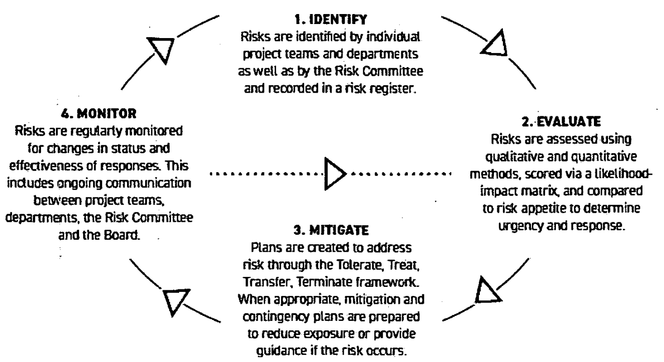
RISK MANAGEMENT PROCESS

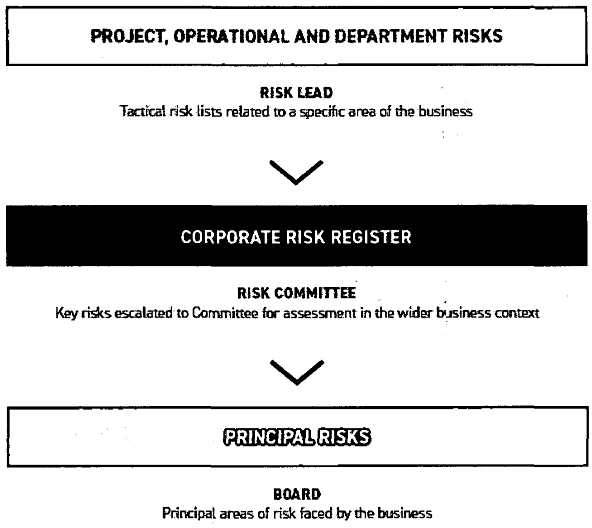
Frontier has well-established policies and procedures to identify, evaluate, mitigate and monitor risks at appropriate business levels.

A prompt and comprehensive assessment of risk is integral to our business decision-making process. Our methodology is structured to ensure that all categories of risk are proactively managed to safeguard our business, our people and the value we provide to our players.

A comprehensive risk register is maintained, covering project, operational, financial, people, compliance and strategic risks. The dynamic risk assessment process includes emerging and established risks, with each risk being monitored and updated as necessary. A rating system assesses the likelihood and impact of risks, alongside the effectiveness of mitigating controls in place.

Each project and relevant department maintains its own risk register, typically reviewed on a monthly basis. The key risks are escalated to the Corporate Risk Register, which is reviewed quarterly by the executive Risk Committee, and any material changes are escalated to the Executive Board. Additionally, a full report on internal controls and assurances, alongside the principal risks, is submitted to the Board on an annual basis.





PRINCIPAL RISKS

Risk area	Description	Mitigation
STRATEGIC AND COMPETITIVE		
MARKET COMPETITION (No change)	The industry has seen consistent growth in the number of titles released year on year, outstripping the increase in players and creating a very congested and competitive landscape. This makes it increasingly difficult for individual titles to be commercially successful without a strong differentiator in the market.	• Despite this increased competition, our strategy to focus on reliable titles in the specific CMS market segment, along with continued support for our released titles, aims to strongly mitigate this risk. Our games in this genre have historically provided strong returns, and it continues to be an area where our experience and expertise enable us to better meet player expectations. • We provide ongoing updates and content post-release to build and retain a strong community. • We leverage studio scale to produce genre-leading games without AAA budgets. • We maintain strong platform partner relationships to help secure marketing and featuring in key channels.
PLATFORM DEPENDENCE (No change)	Heavy reliance on a few key digital sales platforms means any disruption or significant business model change could lead to short-term loss of revenue and potentially impact Frontier's financial position and results.	• We maintain strong platform partner relationships to help ensure reliable market access and adapt to new sales channels. • We work with reliable sales and distribution platforms, which are well established within the industry. • We work closely with all platform partners to understand market trends, determine the discount and promotion strategy, and access to platform deals.
DISRUPTIVE TECHNOLOGY (Increase)	Frontier operates in a fast-moving technology-dependent industry, where gameplay complexity and visual quality constantly improve with PC and console advancements. The emergence of new trends or technologies could impact Frontier's competitive edge and business strategy.	• Frontier's unique proprietary COBRA technology allows continued innovation and technical independence from third-party game engines. • We monitor emerging technologies to stay competitive. • We seek to leverage the advantages of AI, managing reputational and legal risks and aligning with partner contracts.
PORTFOLIO BALANCE (No change)	Selecting the right balance and cadence of games and strategically applying our skills, experience, IP and technology are critical to maintaining a reliable portfolio of titles that provide adequate robustness in evolving market conditions and player trends.	• Frontier's catalogue of titles continues to perform strongly, supporting the continued focus on identifying new opportunities in the CMS space. • A robust selection and greenlighting process, supported by a strong development and marketing execution, ensures the portfolio selection strategy is robust and well considered. • Senior management from across the business is involved in the greenlighting process. • Risk is spread by using a mixture of world-class third-party IP and own IP for wide audience awareness and loyalty.
MARKET ANALYSIS (Decrease)	The risk that we fail to understand or follow changing market or player behaviour and expectations, leading to reputational or financial damage.	• We have increased the early and continuous market analysis is built into the roadmap selection and development process to ensure alignment with player expectations. • Our games provide multiple ways to play and offer endless playtime. • Post-release free and paid downloadable content updates keep the games fresh. • Our monetisation and value pricing strategy is continuously reviewed.

KEY TO CHANGE IN RISKS Increase Decrease No change New risk

Risk area	Description	Mitigation
OPERATIONAL		
DEVELOPMENT RISK	Game development is complex, requiring careful planning, coordination, execution and constant re-evaluation across multiple technical and creative disciplines. Risks include games being over budget, late, of poor quality or missing audience expectations.	• We continually focus on control of the development process, costs and timescales. • We conduct regular oversight meetings on project development progress and costs, as well as audience and marketing analysis. • We constantly evaluate and balance risk to maximise player value (scope) versus quality and robustness of the game at launch and cost of development. • We have robust Quality Assurance and User Experience processes to maximise quality at launch.
VALUE PROPOSITION AND PLAYER LOYALTY	Releasing a title that fails to resonate with players, be that due to game quality, perceived lack of value or inability to engage player loyalty through effective long-tail support and nurturing of the game, could lead to significantly reduced revenues. We are seeing a greater expectation from players around scope and content, especially around sequel titles.	• We have worked to maximise confidence in scope and content of titles at launch and before moving to paid DLC. • We support players, communities and evangelists through launch and post-launch periods to build support and provide additional content. • We have a commercial focus to ensure early and ongoing market and audience research and activities. • Our go-to-market plans maximise impact at launch and engage the most appropriate influencers and partners. • We create targeted digital marketing campaigns and synchronous releases across PC and console platforms. • Our post-release roadmap combines free updates and paid downloadable content. • We make use of multiple engagement channels for the community team to grow our gaming communities, including social media, influencer outreach and platform partner activity. • We follow our value pricing and monetisation strategy, with ongoing price promotions over time, to match different consumer purchase patterns.
CYBERSECURITY	Cyber threats remain a material risk to the organisation, with the potential to disrupt operations, compromise sensitive data, and impact financial performance and reputation. Attackers are increasingly leveraging identity-based and AI-driven techniques, including social engineering and ransomware-as-a-service, to bypass defences and scale their operations. Our reliance on third-party partners and global supply chains further elevates exposure, particularly amid geopolitical and market volatility.	Continuous monitoring of the evolving threat landscape is conducted to assess cyber risks and ensure the security programme remains adaptive and aligned with business objectives. • The information and cybersecurity strategy is structured around the pillars of people, process, and technology. A defence-in-depth approach is applied, guided by industry standards and best practices, to enhance resilience against cyber threats. • Key enhancements have been made across core cybersecurity domains, including identity, architecture and security operations over the last twelve months, reflecting a strategic focus on resilience, maturity, and alignment with evolving threats.

KEY TO CHANGE IN RISKS Increase Decrease No change New risk

PRINCIPAL RISKS CONTINUED

Risk area	Description	Mitigation
PEOPLE AND TEAMS		
HIGH-PERFORMING TEAMS	The skills and experience we need for success remain in high demand within the games industry and related sectors. To succeed, we must foster an engaged, productive culture which supports morale, retention and talent attraction.	• Our attractive project portfolio and friendly working environment attract talented people who want to build their careers. • Our annual Staff Survey continues to be an important way for us to listen and to action feedback. • Frequent and inclusive internal company communications, including interactive internal livestreams, leadership team meetings and cascaded communications, help to keep people aligned and engaged. • Both in-person and digital social events help to drive a fun, engaging culture. • Salaries are benchmarked across the industry to ensure we remain competitive. • Everyone shares in the success that we create together via a generous profit related bonus scheme. • All employees can participate in share option plans, and senior staff receive an annual share options award. • Generous relocation allowances and, where appropriate, services of a Cambridge relocation specialist are offered to support employees to relocate and more easily commute to the Studio. • Frontier is a Visa sponsorship licence holder, allowing a broader reach of talent recruitment. • Our graduate recruitment programme enables us to develop skills and careers from an early stage.
HEALTHY AND PRODUCTIVE WORKING ENVIRONMENT	Risk factors affecting health, wellbeing, creativity and commitment include the inability to work effectively together, unsustainable stress, poor working conditions, discrimination, harassment or exclusion and the inability to raise work related concerns.	• We continue to assess how different hybrid work models affect team efficiency and introduce new tools and processes to maximise efficiency and effectiveness. • We minimise days lost to sickness via healthcare benefits and general morale and wellbeing initiatives. • Initiatives are in place to achieve high levels of employee engagement. • Established policies, including stress management, equality and harassment, ensure fair and respectful treatment of all. • We have a grievance procedure to address issues and minimise the risk of discrimination.
ECONOMIC AND GEOPOLITICAL		
ECONOMIC CONDITIONS	Rising inflation and increased cost of living directly affect our overhead expenses and indirectly influence employees' income. Global cost increases reduce disposable income, intensifying competition for consumer spending on our games.	• We offer competitive remuneration packages and conduct regular pay reviews that account for inflation and other factors, while remaining sustainable. • We continue to monitor how well our games offer value for money, as price sensitivity has increased. • See also Financial Management risk.

Risk area	Description	Mitigation
ECONOMIC AND GEOPOLITICAL CONTINUED		
GEOPOLITICAL FACTORS	Geopolitical influences affecting trade relations, tariffs and embargoed territories can all affect global sales.	• Due to continued global political volatility and rising protectionism, we have raised this risk level, as any further mitigations are out of our control. • We trade across multiple territories, which remains the best mitigation for this risk, as trading globally exposes Frontier to regulatory and geopolitical risks, which have little forewarning and no influence.
CLIMATE AND SUSTAINABILITY	Risk of physical disruptions from extreme weather or indirect risks from failure to meet environmental expectations or regulatory requirements. Potential reputational impact from perceived inaction on sustainability.	• Operating in a digital industry, we do not have a significant physical asset base. • We have a geographically diverse workforce and the ability to work remotely, should the central studio be inaccessible. • We investigate and report on climate-related risks and opportunities in adherence to internationally accepted recommendations, such as those published by the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) – see pages 32 and 33. • We continuously seek ways to decrease carbon usage through direct energy usage reduction, recycling and reduction in waste. Further information can be found in the ESG hub of our website at www.frontier.co.uk/esg-hub.
REGULATORY AND REPUTATIONAL		
RESPONSIBLE GAMING	The risk of either harmful actions or ignoring negative behaviour towards stakeholders, including players, employees, partners, shareholders and the public. Excessive gaming may cause addiction and harm players' wellbeing, while controversial themes and toxic behaviour can negatively affect both employees and players.	• We have no aggressive monetisation or microtransactions that encourage addictive behaviours. • Our game themes are non-controversial and socially responsible, which aim to build cohesive player communities. • We have zero tolerance for all forms of toxic behaviour backed by Community Management teams and clear terms of use. • We provide employee training in social media and player contact. • We enforce a Code of Conduct, with Customer Support monitoring player behaviour and reports, and escalating actions, including bans, for toxic conduct. • We offer a premium pricing model with post-release high-value PDLC.
REGULATORY COMPLIANCE	Risk of non-compliance with increasing regulation around data privacy (e.g. GDPR), age ratings, monetisation practices (e.g. loot boxes), advertising and online safety. Non-compliance may result in fines, reputational harm or restricted market access.	• Clear policies and processes are in place to ensure all regulations and standards are adhered to. • All games and content are submitted for age ratings. • Regular staff training is provided. • Our internal legal department monitors and investigates changes and any potential non-compliance.

KEY TO CHANGE IN RISKS Increase Decrease No change New risk

Risk area	Description	Mitigation
FINANCIAL		
FINANCIAL MANAGEMENT	Effective financial management is critical to maintaining the Group's operational resilience, funding strategic initiatives, and delivering shareholder value. The risk arises from potential weaknesses in financial planning, forecasting, liquidity management or capital allocation, which could impact the Group's ability to meet its financial obligations, invest in growth, or respond to market changes.	• Robust financial planning and forecasting processes, including scenario analysis. • Proactive management of cashflows and liquidity. • Regular review of financial controls and risk exposure by the Audit Committee and Board. • Focus on return-on-investment performance and capital allocation appraisals. • Clear cost and budget accountability within project teams and functions, with appropriate approval levels and processes in place. • We conduct contractual risk reviews and legal oversight of key supplier arrangements.

This Strategic Report was approved by the Board of Directors and signed on behalf of the Board.

ALEX BEVIS
CHIEF FINANCIAL OFFICER
9 September 2025

PLC BOARD OF DIRECTORS

N **DAVID BRABEN**
PRESIDENT AND FOUNDER
(EXECUTIVE DIRECTOR)

N **JONNY WATTS**
CHIEF EXECUTIVE OFFICER
(EXECUTIVE DIRECTOR)

ALEX BEVIS
CHIEF FINANCIAL OFFICER
(EXECUTIVE DIRECTOR)

A N R **ILSE HOWLING**
NON-EXECUTIVE DIRECTOR
AND CHAIRMAN

A N R **LESLIE-ANN REED**
NON-EXECUTIVE AND SENIOR
INDEPENDENT DIRECTOR

A N R **DAVID WALSH**
NON-EXECUTIVE DIRECTOR

JAMES MITCHELL
NON-EXECUTIVE DIRECTOR

EXECUTIVE BOARD

In June 2025 an Executive Board was established to further drive operational efficiency and streamline effective decision-making, building on the momentum in the business and supporting our next phase of development. Reporting directly to the Company's Board of Directors, the Executive Board includes the senior leaders from Development, Publishing, People, Operations, Finance and Legal, as well as the Chief Executive Officer, Jonny Watts. The Chief Operating Officer, James Dixon, chairs and supervises the new Executive Board.

JONNY WATTS
CHIEF EXECUTIVE OFFICER

ALEX BEVIS
CHIEF FINANCIAL OFFICER

JAMES DIXON
CHIEF OPERATING OFFICER

PIERS JACKSON
CHIEF DEVELOPMENT OFFICER

JO COOKE
CHIEF MARKETING OFFICER

YVONNE DAWES
CHIEF PEOPLE OFFICER

JESSICA BOURNE
GENERAL COUNSEL &
COMPANY SECRETARY

COMMITTEE KEY:

A Audit committee

N Nominations committee

R Remuneration Committee

○ Chair

ALL PLC BOARD DIRECTORS' BIOGRAPHIES CAN BE FOUND AT:
WWW.FRONTIER.CO.UK/INVESTORS/DIRECTOR-BIOGRAPHIES-AND-COMMITTEES

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MAY 2025

The Directors present their report for the Group and Company together with the financial statements for the year to 31 May 2025. The financial statements are prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 (IFRSs).

BUSINESS REVIEW

A review of the Group's development performance and future development is provided in the Strategic Report (see pages 01 to 27). Information on the financial risk management strategy is given within that report and in note 28 to the financial statements.

GOING CONCERN

The Group 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 have adequate resources to continue in operational existence for the period to 30 September 2026. The Group and Company therefore continue to adopt the going concern basis in preparing their financial statements.

The Group's day-to-day working capital requirements are expected to be met through the cash and cash equivalent resources (including treasury deposits) at the balance sheet date of 31 May 2025 of £42.5 million along with expected cash inflows from current business activities. Cash and cash equivalent resources (including treasury deposits) at 31 August 2025 were £39.4 million. *The Annual Budget approved by the* Board of Directors, which has been used to assess going concern, reflects assessments of current and future market conditions and the impact this may have on cash resources.

The Group has also performed stress testing on the Annual Budget in respect of potential downside scenarios to identify the break point of current cash resources and to identify when current liquidity resources may fall short of requirements.

The scenarios both consider a reduction in predicted revenues; however, the reduction would need to be severe in order to prevent the Group from continuing as a going concern and is considered to be highly unlikely to occur. The Group has also identified mitigating actions that could be reasonably taken, if required, to offset the reduction of cash inflows, to enable it to continue its operations for the period to 30 September 2026.

The sensitivities included in the stress testing include a significant reduction of revenue for the Group from both the existing portfolio and future game launches, including factoring in delays to major game launches.

As expected, the scenarios resulted in an accelerated use of current cash resources; however, in all scenarios tested the current cash resources were sufficient to support the Group's activities. This is due to a variety of factors:

- the Group currently has significant cash reserves to maintain the current level of operations;
- the development and publishing of titles has progressed as expected; and
- should a more extreme downside scenario occur, the Group could take further mitigating actions by reducing its operating costs.

Having considered all the above, including the current strong cash position, no current impact on debtor recoverability and the continued strong trading performance for the Group, the Directors are satisfied that there are sufficient resources to continue operations for the period to 30 September 2026. The financial statements for the year ended 31 May 2025 are therefore prepared under the going concern basis.

SHARE ISSUES

Details of shares issued during the year are included in note 23 to the financial statements. The Company has one class of Ordinary Shares which carries no right to fixed income. Each share carries the right to one vote at general meetings of the Company, except for shares held by the Employee Benefit Trust (EBT) that are not eligible to vote under the Trust deed and shares held in treasury by the Company.

DIRECTORS' REMUNERATION, SHARE OPTIONS AND SHAREHOLDINGS

Details of Directors' remuneration and share options are provided within the Remuneration Report and are in addition to the interests in shares shown below.

The Directors who held office on 31 May 2025 and their holdings, including direct family holdings where applicable, in Ordinary Shares of the Company at that date were as follows:

Name	Holding at 31 May 2024	2024 %	Acquired in the financial year*	Sold in the financial year	Holding at 31 May 2025	2025 %
David Braben	12,899,953	32.7	–	–	**12,899,953**	**32.7**
James Mitchell	385,044	1.0	–	–	**385,044**	**1.0**
Alex Bevis	50,000	0.1	–	–	**50,000**	**0.1**
Jonny Watts	48,984	0.1	–	–	**48,984**	**0.1**
James Dixon	31,180	0.1	–	–	**31,180**	**0.1**
Leslie-Ann Reed	20,032	0.1	–	–	**20,032**	**0.1**
Ilse Howling	1,006	–	–	–	**1,006**	–
David Walsh	–	–	–	–	–	–
Total	13,436,199	34.1	–	–	**13,436,199**	**34.1**

* Including shares acquired through option exercises.

DETAILS REGARDING DIRECTORS' EQUITY TRANSACTIONS ARE INCLUDED IN THE REMUNERATION REPORT ON PAGE 41

REPORT OF THE DIRECTORS CONTINUED
FOR THE YEAR ENDED 31 MAY 2025

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare such financial statements for each financial year. Under that law, the Directors have prepared the Group and Company financial statements in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 (IFRSs). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and of the profit or loss of the Group and Company for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the applicable IFRSs have been followed, subject to any material departures disclosed and explained in the Group and Company's financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- the Directors have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' INDEMNITY ARRANGEMENTS

During the year, the Company purchased Directors' and Officers' liability insurance in respect of itself and its Directors.

INTELLECTUAL PROPERTY AND RESEARCH AND DEVELOPMENT

The Group actively protects its intellectual property via trademark and patent registrations. While the Directors consider these to be of significant value, the costs associated with registrations are expensed.

The Group invests significant resources into the development of game assets and in research and development through the COBRA engine and associated development tools. Costs that meet the criteria for capitalisation are included in other intangible assets (see note 11 of the financial statements).

REPORT OF THE DIRECTORS CONTINUED
FOR THE YEAR ENDED 31 MAY 2025

DIVIDEND
The Directors are not recommending the payment of a dividend (FY24: £nil).

EMPLOYEE INVOLVEMENT
The Group seeks to encourage and promote an agile, open, fair and meritocratic culture of engagement, achievement and fun.

The Group is committed to the principle of equal opportunities in employment. Its aim is to ensure that no job applicant or employee receives less favourable treatment or is placed at a disadvantage by requirements or conditions that cannot be shown to be justifiable and thereby promote equality of opportunity for employment within the Group on grounds such as sex, disability, marital status, religion, colour, race, nationality, ethnic or national grounds, age or sexual orientation.

The Group's policies and procedures are created and administered in such a way that they do not tolerate or foster such discrimination. The Group has employee groups that meet regularly and feed back to the Executive team and relevant departments.

The Group encourages employee involvement in the Group's performance by using a bonus scheme for all employees. In addition, it seeks to issue share options at relevant times or to utilise other equity plans where appropriate.

EMPLOYMENT POLICIES
The Group is committed to following UK employment law for its Cambridge-based operations, Canadian employment law for its Winnipeg-based operations and applicable labour codes for its US operations based in Nevada.

Where possible, the Group strives for similar employment and benefit arrangements between territories.

HEALTH AND SAFETY AND ENVIRONMENT
The aim of the Directors is to provide healthy, safe and congenial working conditions, equipment and systems of work for all employees.

The Directors further intend to provide sufficient information, training and supervision to enable employees to do their work safely, effectively and without risk to themselves or to others. We acknowledge that we are responsible for the safety of visitors, both professional and social, who enter the premises.

Frontier recognises its duty to comply and operate within the requirements of statutory environmental legislation and is committed to minimising the environmental impacts of its business operations. The Directors of the Group will support this policy with this commitment in mind.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

The Task Force on Climate-related Financial Disclosures (TCFD) is an industry-led group which helps investors understand their financial exposure to climate risk and works with companies to disclose this information in a clear and consistent way. Frontier supports the aims and principles of the TCFD and has provided the appropriate information in this Annual Report.

Disclosures	Recommended disclosures	Response
A. GOVERNANCE		
Disclose the organisation's governance around climate-related risks and opportunities.	1. Describe the Board's oversight of climate-related risks and opportunities.	The Board of Directors reviews key climate-related risks and opportunities and oversees mitigation strategies as part of an annual review of Frontier's principal and emerging risks. James Dixon, Chief Operating Officer and Chair of the Executive Board, has specific responsibility for ESG matters, including climate change and sustainability.
	2. Describe management's role in assessing and managing climate-related risks and opportunities.	We have a Risk Committee that reviews ESG topics regularly, feeding into the Board's annual review process. The Risk Committee meets on a quarterly basis to ensure that climate-related risks are properly managed and that opportunities are continually identified to reduce the Group's carbon footprint. See frontier.co.uk/esg-hub.
B. STRATEGY		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	3. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Risks: due to the nature of the business and our digitally focused business model, we do not anticipate any significant climate-related risks that would have a material financial impact on the Group over the short, medium and long term. Opportunities: almost all of our content is delivered digitally, with only 0.2% of our games in FY25 (FY24: 0.7%) being distributed on physical discs, which is much lower than many publishers in our industry. We already operate an energy-efficient building with a flexible hybrid working model, reducing our energy footprint and the number of commuting journeys taken by our people. We continue to seek out opportunities to reduce our impact on the environment.
	4. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	No significant climate-related risks have been identified that have a material impact on the Group's business, strategy and financial planning.
	5. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	The Group's current business model and strategy remain resilient when considered against different climate-related scenarios.

REPORT OF THE DIRECTORS CONTINUED
FOR THE YEAR ENDED 31 MAY 2025

Disclosures		Recommended disclosures	Response
C. RISK MANAGEMENT			
Disclose how the organisation identifies, assesses and manages climate-related risks.	6.	Describe the organisation's processes for identifying and assessing climate-related risks.	The Group has a Risk Committee that ensures appropriate processes are in place for identifying, evaluating and managing the principal risks, which could have an impact upon the Group's financial performance. Climate change was escalated to a principal risk in 2022 and remains a principal risk. The Risk Committee and Board has considered the potential impact of regulatory change that could occur in the short to medium term and is satisfied that material changes would not be required to business processes due to the nature of the business.
	7.	Describe the organisation's processes for managing climate-related risks.	See previous – A. Governance – Frontier has an appropriate structure, including a formal Risk Committee, in place to identify climate-related risks that are reported to the Board annually, including making decisions to mitigate, transfer, accept or control those risks.
	8.	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	As part of the Group's risk management, climate-related risks are determined alongside other principal risk areas within the detailed Corporate Risk Register. The assessment is quantified via a likelihood/impact matrix to determine the overall net risk after mitigation.
D. METRICS AND TARGETS			
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	9.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Metrics: • Scope 1 and Scope 2 emissions; • electricity sourced from renewable only providers; and • BREEAM Excellent rating of Frontier's studio. See frontier.co.uk/esg-hub.
	10.	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	GHG emissions are disclosed as per the SECR requirements. An assessment has been carried out for Scope 3 emissions, which fall under the materiality threshold. See GHG/SECR disclosure on page 33 and frontier.co.uk/esg-hub.
	11.	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Frontier has committed to the following short-term targets: • to continue to source 100% of electricity that has been sustainably generated from green and renewable sources; and • zero waste to landfill.

FRONTIER DEVELOPMENTS PLC – GREENHOUSE GAS EMISSIONS STATEMENT

This greenhouse gas (GHG) emissions statement has been calculated using an operational control approach as described in the Greenhouse Gas Protocol (revised edition, 2004).

Since April 2018, Frontier has occupied a new, energy-efficient studio on the Cambridge Science Park, which has a BREEAM Excellent rating and an EPC rating of B. There are solar PV panels installed on the roof providing renewable electricity in addition to that purchased from the grid. The building is metered and monitored by a Building Management System (BMS) which minimises the use of electricity through power saving facilities, operating equipment efficiently and alerting the Facilities Management team of any abnormalities in range values. Further energy savings are employed through the use of high-efficiency VRF heating and cooling systems, high-efficiency water heaters and high-efficiency LED lighting and photocell dimming in the studio.

Although Frontier has good energy efficiency, measures are always taken, where possible, to increase energy efficiency further. Signage has been placed in meeting rooms to remind employees to keep the temperature at around 22°C. Energy compliance audits are carried out periodically under the Energy Savings Opportunity Scheme (ESOS), alongside the landlord and the wider aims of Cambridge Science Park.

FRONTIER DEVELOPMENTS PLC – GREENHOUSE GAS EMISSIONS STATEMENT CONTINUED

CARBON FOOTPRINT

Scope 1 emissions refer to emissions from activities owned or controlled by Frontier that release emissions into the atmosphere. This includes direct emissions from air conditioning and refrigeration units and our gas usage. Actual and estimated data has been collected from direct meter readings, meter readings included on supplier invoices and service reports provided by suppliers. No air conditioning nor refrigeration leakage has been found in any of the units in FY25.

Scope 2 emissions refer to indirect emissions from the consumption of purchased electricity from facilities owned or under the operational control of Frontier. Actual and estimated data has been collected from direct meter readings and meter readings included on supplier invoices.

Scope 3 emissions are emissions that are as a consequence of Frontier's actions, but the source is not owned or controlled, and that are not classed as Scope 2 emissions. This includes emissions from business travel in rental or employee-owned vehicles where Frontier is responsible for purchasing the fuel.

ASSESSMENT PARAMETERS

Baseline year	1 June 2019 to 31 May 2020
Consolidation approach	Operational control
Boundary summary	All entities and all facilities under operational control included subject to the materiality threshold applied
Consistency with the financial statements	The only variation is that leased properties deemed to be under operational control have been included in Scope 1 and 2 emissions
Materiality threshold	Materiality has been set at Group level at 5%*
Assessment methodology	Greenhouse Gas Protocol
Intensity ratio	Emissions per employee

* The total of any excluded emission sources is estimated to be less than 5% of the Group's total reported emissions.

	FY25			FY24**		
GHG emissions source	Consumption used to calculate emissions (kWh)	tCO_2e	tCO_2e/employee	Consumption used to calculate emissions (kWh)	tCO_2e	tCO_2e/employee
Scope 1	**32,081**	**6**	**0.01**	32,619	6	0.01
Scope 2	**1,487,059**	**263**	**0.38**	1,579,555	201	0.26
Total		**269**	**0.39**		207	0.27

**In FY24, emissions were measured using the market-based approach. However, in FY25, we reverted to the location-based method used in previous financial years. Using this approach, FY24 emissions were 286 tCO_2e, indicating a 6% reduction in FY25.

SUBSTANTIAL SHAREHOLDERS

As at 31 August 2025, the Directors believe that the following parties each held 3% or more of the total voting rights (TVR) in Frontier Developments plc. This information is based on the Company's analysis of its share register as at that date.

Name	Shareholding	% of TVR
David Braben*	12,502,253	32.7
Tencent Holdings	3,386,252	8.8
Working Capital	3,334,063	8.7
Viking Capital Corporation	2,637,868	6.9
JP Morgan Chase & Co	1,290,126	3.4
Acadian Asset Management	1,159,673	3.0
Total	**24,310,235**	**63.5**

* Includes spouse and other direct family holdings.

AUDITOR

A resolution to re-appoint the Auditor will be proposed at the forthcoming Annual General Meeting. In accordance with normal practice, the Directors will be authorised to determine the Auditor's remuneration.

Approved by the Board of Directors and signed on behalf of the Board.

ALEX BEVIS
CHIEF FINANCIAL OFFICER
9 September 2025

CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 MAY 2025

EFFECTIVE AND EFFICIENT GOVERNANCE

CHAIRMAN'S INTRODUCTION AND SUMMARY

We take our governance responsibilities seriously and devote appropriate time and effort to ensure that Frontier is run on a responsible and considerate basis, with a focus on long-term sustainable success. As part of our approach to governance, we endeavour to take into account all of our key stakeholders and consider our influence within the games industry and our impact on wider society.

Frontier has followed the Quoted Companies Alliance Corporate Governance Code for Small and Mid-Sized Companies (the 'QCA Code') since 2018, refining the Company's corporate governance arrangements in order to follow the ten principles of the QCA Code. In 2024 we reviewed and refined our governance arrangements in response to the 2023 update to the QCA Code.

This Annual Report provides insights into the Company's ongoing engagement with the QCA Code, reflecting its dedication to maintaining high standards of corporate governance. Frontier's alignment with the QCA Code underscores our commitment to transparency, accountability and effective management, which are crucial to ensure effective engagement with shareholders and the wider stakeholder community, as well as supporting long-term success.

The table below sets out the ten principles of the QCA Code and provides direction to the relevant section(s) in this Annual Report:

	QCA Code principle	Relevant section(s) of the Annual Report
1	A strategy and business model for long-term value creation	• CEO's Statement (pages 05–06) • Strategic Report (pages 01–27)
2	Understand and meet shareholder needs and expectations	• Investor relations – Corporate Governance Report (page 38) • S172 Statement (pages 17–19)
3	Understand and meet wider stakeholder needs and social responsibilities	• Strategy and business model – Strategic Report (pages 12–13) • Corporate culture and social responsibility – Corporate Governance Report (page 38) • Our people (page 14–16) • Our impact (page 21) • S172 Statement (pages 17–19)
4	Embedded risk management	• Strategy and business model – Strategic Report (pages 12–13) • Principal risks and uncertainties (pages 22–27) • Internal control and business risk – Corporate Governance Report (page 38)
5	A well-functioning and balanced Board	• Board of Directors (page 28) • Board overview – Corporate Governance Report (page 36)
6	Board experience, skills and capabilities	• Board of Directors (page 28) • Board overview – Corporate Governance Report (page 36)
7	Performance of the Board and continuous improvement	• Board overview – Corporate Governance Report (page 36)
8	Corporate culture based on ethical values and behaviours	• Corporate culture and social responsibility – Corporate Governance Report (page 38)
9	Effective governance structures which support good decision-making	• Chairman's introduction and summary – Corporate Governance Report (page 35) • Board overview – Corporate Governance Report (page 36) • Board Committee reports – Corporate Governance Report (pages 36–37)
10	Communication of Company governance and performance	• Chairman's introduction and summary – Corporate Governance Report (page 35) • Board Committee reports – Corporate Governance Report (pages 36–37)

BOARD OVERVIEW
The Board is responsible for the long-term growth and profitability of the Group. Among its responsibilities it works with management to set corporate values and to develop strategy, including deciding its risk management policy and financial objectives.

The schedule of matters reserved for the attention and resolution of the Board includes:

- overall business strategy;
- review of key operational and commercial matters;
- review of key finance matters including approval of financial plans, changes to capital structure, acquisitions and disposals of businesses, material capital expenditure and dividends;
- governance: Board membership and powers, including the appointment and removal of Board members, the set-up and delegation of matters to appropriate Committees and the reviewing of reporting back thereof;
- approval of interim and year end financial statements;
- stock exchange related issues including the approval of communications to the stock exchange and communications with shareholders in conjunction with any financial public relations firm;
- subsidiary Board appointments, as the 100% shareholder, and review of key decisions at their Board meetings;
- approval of acquisitions, disposals, borrowing facilities, premises and matters proposed by the corporate lawyer and nominated advisor and broker;
- appointment and performance review of key advisors; and
- approval of letters of recommendation for the Employee Benefit Trust (EBT) in respect of the operation of share option schemes.

The Board meets regularly during the year and the entire Board is invited to attend all meetings, with the Board meeting on eight occasions during FY25.

Approximately half of the time at Board meetings is set aside for core strategic issues. At least two meetings a year have extended time allowed where the focus is predominantly on core strategic issues.

The Chairman and the Company Secretary plan the agenda for each Board meeting in consultation with all other Directors. The agenda is issued with supporting papers ahead of the Board meetings, along with appropriate information required to enable the Board to discharge its duties.

The composition of the Board of Directors is illustrated on page 28 and currently comprises seven Directors:

- four Non-Executive Directors – Ilse Howling, James Mitchell, Leslie-Ann Reed and David Walsh; and
- three Executive Directors – Jonny Watts (CEO), David Braben (President and Founder) and Alex Bevis (CFO).

Our Board is supported by Jessica Bourne, General Counsel and Company Secretary.

As per the individual biographies, the Directors have a range of experience and provide a balance of skills, experience and knowledge to the Board.

The Board, led by the Chairman, regularly reviews the overall performance of the Board and makes adjustments to ensure the structure and focus of the Board meet the evolving requirements of the Group. In 2018, the Board established an annual formal Board assessment process based on a QCA structured questionnaire. As a result of these annual assessments, each year actions are taken to improve, refine and formalise certain Board processes and reports.

All Directors are subject to election at the first Annual General Meeting following their appointment and to re-election annually thereafter.

The Chairman and Chief Executive Officer have distinct roles; the principal responsibility of the Chairman is the effective operation of the Board of Directors, while the Chief Executive Officer is responsible for the operation of the Group to deliver on its strategic objectives.

The role of the Company Secretary is to ensure reliable and regular information flows to the Board and its Committees and to ensure applicable rules and regulations are followed. The Company Secretary is available to all Directors to provide advice and assistance and is responsible for providing governance advice to the Board.

BOARD COMMITTEES
The Committees report regularly to the Board on the performance of the activities they have been assigned.

AUDIT COMMITTEE
The Audit Committee comprises only Non-Executive Directors and its members are Leslie-Ann Reed (Committee Chair), David Walsh and Ilse Howling. The Committee is supported by Jessica Bourne (Company Secretary) and Alex Bevis (CFO).

The Audit Committee determines the terms of engagement of the Group's Auditor and, in consultation with the Auditor, the scope of the audit. It will receive and review reports from management and the Auditor relating to the interim and annual accounts as well as the accounting and internal control systems in use by the Group and Company. The Audit Committee has unrestricted access to the Group's Auditor.

The Audit Committee also reviews accounting and treasury policies, financial reporting including key performance indicators and supporting key areas of management judgements and corporate governance standards. The Audit Committee is open to attendance by any Director and reports its key issues at Board meetings.

In FY25, the Audit Committee met on three occasions and all meetings were attended by the external Auditor, Ernst & Young.

Key areas of activity
The significant issues considered by the Audit Committee during the year were as follows:

- revenue recognition;
- accounting for the sale of *Stranded: Alien Dawn* publishing rights;
- fair value remeasurement of contingent cash consideration arising from the sale of *RollerCoaster Tycoon 3* publishing rights;
- review of the carrying values of intangible assets;
- going concern assessments;
- taxation, including focus on Video Games Tax Relief, Patent Box and RDEC; and
- share-based payments.

Other activities considered by the Audit Committee during the year were as follows:

- review of the Annual Report and Accounts and Interim Results;
- review of the external Auditor's findings from the prior year audit;
- environmental, social and governance matters;
- review of key accounting policies;
- internal control and risk management reviews;
- external audit performance review;
- IFRS 16 Leases accounting; and
- treasury policy, counterparty and foreign exchange risk review.

CORPORATE GOVERNANCE REPORT CONTINUED

FOR THE YEAR ENDED 31 MAY 2025

REMUNERATION COMMITTEE

The Remuneration Committee comprises only Non-Executive Directors and its members are David Walsh (Committee Chair), Ilse Howling and Leslie-Ann Reed. The Committee is supported by Jessica Bourne (Company Secretary), Alex Bevis (CFO) and Yvonne Dawes (CPO).

The Remuneration Committee reviews the scale and structure of the Executive Directors' future remuneration and the terms of the service agreements with due regard to the interests of shareholders. No Director is permitted to participate in discussions or decisions concerning their own remuneration. The Remuneration Committee also approves annual salary review limits, bonus schemes and payment limits, in addition to significant employee benefits, such as pensions, medical insurance and share option schemes.

In FY25, the Remuneration Committee met on four occasions.

Key areas of activity

The key areas of activity considered by the Remuneration Committee during the year were as follows:

- review of Directors' remuneration against benchmark data;
- annual salary review, including the challenges in respect to inflation;
- review of staff benefits through employee surveys and benchmarking;
- review of equity schemes, including CSOP, LTIP and Sharesave; and
- bonus scheme assessment, implementation and outcomes.

NOMINATIONS COMMITTEE

The Nominations Committee comprises David Walsh (Committee Chair), Ilse Howling, Leslie-Ann Reed, David Braben and Jonny Watts.

The Committee is supported by Jessica Bourne (Company Secretary).

The Nominations Committee reviews the constituents of the Board and its Committees to ensure appropriate balanced representation.

In FY25, the Nominations Committee met on one occasion.

Key areas of activity

The key areas of activity considered by the Nominations Committee during the year were as follows:

- Board composition and the assessment of the need for further Non-Executives;
- formation of the new Executive Board that was established in June 2025; and
- review of senior positions required to strengthen the organisation and succession planning.

ATTENDANCE AT MEETINGS DURING THE YEAR

Director	Board	Committees: Audit	Remuneration	Nominations
David Braben	7/8	–	–	1/1
Jonny Watts	8/8	–	–	1/1
Alex Bevis	7/8	–	–	–
James Dixon*	8/8	–	–	–
Ilse Howling	8/8	3/3	4/4	1/1
David Walsh	8/8	3/3	4/4	1/1
James Mitchell	7/8	–	–	–
Leslie-Ann Reed	8/8	3/3	4/4	1/1

* James Dixon stepped down from the Board on 11 June 2025 (FY26).

AUDITOR INDEPENDENCE

The Group's external Auditor is Ernst & Young LLP, which has served the Group from the 31 May 2020 year end to date. The external audit function provides independent review and audit. It is the responsibility of the Audit Committee to review and monitor the external Auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements as well as developing and implementing policy on the engagement of the external Auditor to supply non-audit services.

The Audit Committee monitors procedures to ensure the rotation of external audit partners every five years and audit managers every seven years. The current audit partner is Kate Allen, and this is her first year with the Group. There are no non-audit services and the audit fees are set out in note 6.

Based on the review of non-audit services, partner rotation and independence safeguards, the Audit Committee concludes that the Auditor remains independent.

EXECUTIVE BOARD

To build on the momentum in the business and to support Frontier's next phase of development, an Executive Board was established in June 2025 to further drive operational efficiency and streamline effective decision-making. Reporting directly to the Company's Board of Directors, the Executive Board includes the senior leaders from Development, Publishing, People, Operations, Finance and Legal, as well as the Chief Executive Officer, Jonny Watts.

INTERNAL CONTROL AND ASSESSMENT OF BUSINESS RISK

The systems for internal control and risk management processes are designed to manage and mitigate risks that may impact achievement of the Group's strategic objectives. Such systems can only provide a reasonable but not absolute level of assurance against material misstatement or loss.

Project and departmental risks are assessed and presented at weekly progress meetings.

Strategic risks are regularly reviewed by the Board and a Corporate Risk Register is maintained.

The Group's overall risk assessment process is facilitated by the Chief Operating Officer, who runs weekly operational progress meetings and holds and appraises the Corporate Risk Register with the Executive Directors at least once a year. A further review is then undertaken with senior management and the Corporate Risk Register itself is updated for the Executive team to consider.

Once the review has concluded, the revised Corporate Risk Register is presented to the Audit Committee, which assesses the updated register and confirms the key risks. A proposal for updating the risks reported in the Annual Report is then drawn up; the Audit Committee will then take its recommendations to the Board on key risks and the reporting thereof.

CONTROL ENVIRONMENT AND INTERNAL AUDIT

The Group has established operating procedures appropriate to its size and structure for reporting both financial and non-financial information to the Board. These include, but are not limited to:

- operating guidelines and procedures with approval limits;
- accounting policies, controls and procedures;
- performance monitoring systems updated monthly for review at Executive and Board meetings; and
- regulatory and legal changes that may materially impact on the business.

Due to the Executive Directors' close involvement in business activities, the Group does not currently believe that an internal audit function is necessary. The Audit Committee considers the need annually and will advise the Board as and when it feels this position is required.

INVESTOR RELATIONS

The Group places considerable importance on communication with shareholders and maintains regular contact with both current and potential shareholders through investor roadshows linked to annual and interim results, investor conferences and ad-hoc meetings and conference calls. In addition to externally located meetings, the Group also hosts investors for on-site meetings. Investor relations activity is led by the CFO and meetings are typically presented by the CEO and CFO. The Chairman regularly meets with investors as required and the other Directors also participate in investor activity.

Investor relations activities have continued largely as before, with phone or video meetings complementing face-to-face meetings.

The Group's website has a dedicated investor page which contains the latest information, including the most recent results presentation.

CORPORATE CULTURE AND SOCIAL RESPONSIBILITY

The Group operates in the competitive, technically challenging and highly creative games industry. Successful projects in this constantly evolving industry require a clear and ambitious creative vision, keen awareness of customer preferences and habits, very high attention to detail, world-class multi-disciplinary ability and effective project management skills.

These characteristics have defined the culture of the Group and the Board and we believe that our inclusive, meritocratic high-performance culture supports the ambitious vision for the Group that we have established.

The Board considers that Frontier's four key stakeholder groups are its people, its players, its shareholders and its business partners. In addition, it acknowledges the Group's responsibilities to the local communities in which it has major operations, principally Cambridge, and the wider video games industry. The Group participates in local and national events that promote the video games industry and computer science, as well as establishing relationships with students in partner universities by contributing to courses and mentoring projects. The Group continues to recruit graduates and takes its responsibility seriously to support and mentor its recruits. The Group has also supported charitable activities, including donations to plant trees through the National Trust. Our President and Founder, David Braben, helps with the promotion of computer science in the UK. David is one of the founders of the Raspberry Pi Foundation, Vice President of SpecialEffect (a charity which puts the fun and inclusion back into the lives of people with physical disabilities by helping them play video games) and a champion of education in computer science at all levels.

ANNUAL GENERAL MEETING

The AGM will be held at:

The Trinity Centre
24 Science Park
Milton Road
Cambridge
CB4 0FN

On: 29 October 2025

At: 9.30am (GMT)

CORPORATE GOVERNANCE REPORT CONTINUED
FOR THE YEAR ENDED 31 MAY 2025

The Company's Annual General Meeting (AGM) affords shareholders the opportunity to question the Chairman and the Board.

All voting at the meeting will be conducted on a poll where every shareholder present in person or via proxy will have one vote per share held. The Group will convey the results of the poll via RNS following the AGM.

Shareholders are invited to submit written questions in advance of the meeting. Questions should be sent to the Company Secretary, Jessica Bourne, Frontier Developments plc, 26 Cambridge Science Park, Milton Road, Cambridge CB4 0FP, UK, or via email to ir@frontier.co.uk.

DETAILS OF RESOLUTIONS TO BE PROPOSED AT THE MEETING ARE SET OUT IN THE NOTICE OF ANNUAL GENERAL MEETING ON PAGES 84 TO 87

Notice of the AGM, the Form of Proxy and the Annual Report are sent to shareholders at least 21 days before the AGM via post.

REMUNERATION REPORT
FOR THE YEAR ENDED 31 MAY 2025

As Frontier Developments is an AIM-listed company, it is not required to disclose all the information included in this Remuneration Report. However, in the interests of transparency, the Board has chosen to provide the following details as a voluntary disclosure.

The Auditor is not required to and has not, except where indicated, audited the information included in the Remuneration Report.

The Remuneration Committee is responsible to the Board for developing remuneration policy. The Report of the Remuneration Committee has been approved by the Board of Directors for submission for shareholders' approval at the Annual General Meeting.

REMUNERATION COMMITTEE TERMS OF REFERENCE

The Remuneration Committee comprises three Non-Executive Directors of the Group: David Walsh (Committee Chair), Ilse Howling and Leslie-Ann Reed. The Committee is supported by Jessica Bourne (Company Secretary), Alex Bevis (Chief Financial Officer) and Yvonne Dawes (Chief People Officer). The Remuneration Committee meets at least twice a year.

The Remuneration Committee is responsible for the following functions:

- setting of remuneration for Directors and officers, including pay, annual cash bonuses and long-term incentive arrangements;
- approval of the overall increase for annual pay and bonus levels for all other employees;
- approval of share option plans or arrangements;
- setting of overall share option issues;
- approval of any significant employee benefit arrangements; and
- reviewing the Committee's terms of reference and submitting to the Board for subsequent approval.

REMUNERATION POLICY

Our remuneration strategy is to ensure that:

- everyone has a package that is fair and appropriate for their role;
- people are rewarded for their individual achievements;
- everyone is able to share in Frontier's success; and
- irrespective of gender or race, people performing equal work are paid equally.

The Remuneration Committee reviews the remuneration arrangements for the Executive Directors on an annual basis to ensure that the packages are consistent with the Group's strategic objectives and that they align with the best interests of shareholders. The annual review includes benchmarking analysis against other AIM companies.

COMPONENTS OF REMUNERATION OVERVIEW

The objective of the remuneration policy described above is to establish and maintain arrangements and individual packages which attract, retain and motivate the talent necessary to support the Group's strategy. The Committee is committed to maintaining a well-balanced remuneration structure that aligns fixed pay with performance-based incentives. In line with the Group's strategic focus on delivering consistent financial results and fostering sustainable long-term growth through its CMS-focused strategy, greater emphasis is placed on performance-linked components of remuneration.

Directors and employees are all encouraged to acquire shares in the Company and to hold these shares for the long term. This participatory element is an important aspect of the Group's culture and its focus on long-term performance.

EXECUTIVE DIRECTOR SERVICE CONTRACTS

In accordance with general market practice, each of the Executive Directors has a rolling service contract. The following table shows the date of the service contract for each Executive Director in post on 1 September 2025:

Executive Director	Position	Date of appointment	Date of service agreement	Notice period
Jonny Watts	Chief Executive Officer	1 July 2013	8 July 2013	Six months
David Braben	President and Founder	1 July 2013	8 July 2013	Six months
Alex Bevis	Chief Financial Officer	1 April 2017	3 October 2016	Six months

EXECUTIVE DIRECTOR BASE SALARY

During FY25, the Committee reviewed the salaries of the Executive Directors as part of the August 2024 Group-wide annual pay adjustment process, and determined that a pay adjustment for the Executive Directors was not appropriate given the Group's disappointing financial performance in FY24.

In August 2025, after the end of FY25, the Committee reviewed the salaries of the Executive Directors as part of the Group-wide annual pay adjustment process. The salaries of Alex Bevis and David Braben were subsequently increased by 3.5%. At his request, the Committee awarded Jonny Watts an equivalent increase in annual vacation allowance instead of a similar percentage salary increase. The full-time equivalent salaries for each Executive Director from 1 August 2025 are as follows:

Name	Position	Base salary
Jonny Watts	Chief Executive Officer	£320,000
David Braben	President and Founder	£256,680
Alex Bevis	Chief Financial Officer	£256,680

ANNUAL BONUS

Since its foundation in 1994, Frontier has endeavoured to allow all its employees to share in the success that they help to deliver, through the application of an annual profit-share-based bonus scheme.

Due to financial underperformance in FY22, FY23 and FY24, the Executive Directors were not awarded any bonus for those financial years. Consequently, no bonus payments were received by the Executive Directors during FY25.

For performance in FY25, the Executive Directors will receive the following bonus payments in September 2025 based on the Company's financial performance and individual performance:

Name	Position	FY25 bonus
Jonny Watts	Chief Executive Officer	£26,816
David Braben	President and Founder	£20,783
Alex Bevis	Chief Financial Officer	£20,783

REMUNERATION REPORT CONTINUED
FOR THE YEAR ENDED 31 MAY 2025

EQUITY AWARDS
The Company operates a range of share incentive schemes under which options may be granted to employees, including Executive Directors, to subscribe for Ordinary Shares in the Company. These share options serve as a key mechanism for attracting and retaining high-calibre talent, while also aligning employee interests with the long-term objective of enhancing shareholder value.

In February 2025, the Company granted share options to managers and senior employees, excluding the Executive Directors, under its Company Share Option Plan (CSOP). The exercise price of the options represents the market value on the date of grant and the options have a vesting period of three years, with the only vesting condition being that the option holder is employed at the date of vest.

The Executive Directors were granted options under the Long Term Incentive Plan (LTIP) in February 2025 as follows:

Name	Position	Number of LTIP options
Jonny Watts	Chief Executive Officer	204,000
David Braben	President and Founder	113,000
Alex Bevis	Chief Financial Officer	136,000

The exercise price of the options under the LTIP is the nominal value of the Ordinary Shares, being 0.5p each. The options are due to vest in February 2028, subject to the achievement of performance conditions for revenue (one third), profit (one third) and shareholder return (one third) over the three-year vesting period. Each of the three performance conditions includes a minimal acceptable threshold for a 50% vesting outcome, with the remaining 50% vesting on a straight-line basis against stretch targets.

PENSION CONTRIBUTIONS, MEDICAL INSURANCE AND OTHER BENEFITS
All Executive Directors have opted out of Company pension arrangements. All Executive Directors participate in other all-employee benefit arrangements, including medical insurance.

NON-EXECUTIVE DIRECTORS' REMUNERATION
The remuneration of Non-Executive Directors is determined by the Board and reflects their anticipated time commitment to fulfil their duties.

The Non-Executive Directors' remuneration is subject to the same principles of the remuneration policy for the Group and the same transitional phase of alignment to median market rates was undertaken. The letters of appointment of Non-Executive Directors can be terminated with six months' notice for the Chairman and three months' notice for all other Non-Executive Directors under notice given by either party.

The fees payable to the Non-Executive Directors remained unchanged during FY25. The annual fees payable for each Non-Executive Director in post on 1 September 2025 are as follows:

Name	Position	Base salary
Ilse Howling	Non-Executive Director and Chairman	£90,000
Leslie-Ann Reed	Non-Executive and Senior Independent Director	£60,000
David Walsh	Non-Executive Director	£50,000
James Mitchell	Non-Executive Director	£nil – waives fee

DIRECTORS' REMUNERATION (AUDITED)
The remuneration of the Directors that served during FY25 is as follows:

Director	Salary/fee £'000	Bonus £'000	Pension contribution £'000	Option exercises £'000	Taxable benefits £'000	FY25 Total £'000	FY24 Total £'000
Executive							
Jonny Watts	320	–	–	–	1	**321**	354
David Braben	248	–	–	–	1	**249**	275
Alex Bevis	248	–	–	–	1	**249**	272
James Dixon	185	–	–	–	1	**186**	205
Non-Executive							
Ilse Howling	90	–	–	–	–	**90**	71
David Wilton	–	–	–	–	–	**–**	99
Leslie-Ann Reed	60	–	–	–	–	**60**	55
David Walsh	50	–	–	–	–	**50**	50
James Mitchell[1]	–	–	–	–	–	**–**	–
Total	**1,201**	**–**	**–**	**–**	**4**	**1,205**	**1,381**

1. James Mitchell waived his fee.

The expense recognised in the statement of comprehensive income for the Executive Directors' share options was £530k (FY24: £690k), with the amount attributable to the highest paid Executive Director being £192k (FY24: £234k).

EQUITY TRANSACTIONS
There were no equity transactions by the Directors and persons closely associated with them during FY25.

A resolution to accept the Report of the Remuneration Committee will be put to shareholders at the Annual General Meeting.

DJWa

DAVID WALSH
CHAIR, REMUNERATION COMMITTEE
9 September 2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FRONTIER DEVELOPMENTS PLC

OPINION

In our opinion:

- Frontier Developments plc's Group financial statements and parent company financial statements (the 'financial statements') give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 May 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Frontier Developments plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 May 2025 which comprise:

Group	Parent company
Consolidated statement of financial position as at 31 May 2025	Statement of financial position as at 31 May 2025
Consolidated income statement for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of changes in equity for the year then ended	Related notes 31 to 44 to the financial statements, including material accounting policy information
Consolidated statement of cashflows for the year then ended	
Related notes 1 to 30 to the financial statements, including material accounting policy information	

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report– We are independent of the Group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and parent company's ability to continue to adopt the going concern basis of accounting included:

- Understanding the process undertaken by management to perform the going concern assessment, including the evaluation of the Group's access to available sources of liquidity.
- Inspecting management's internal assessments regarding the Group and parent company's ability to continue to adopt the going concern basis of accounting during the going concern review period to 30 September 2026.
- Inspecting and reperforming the sensitivity and reverse stress testing performed by management, including the significant reductions to future revenues.
- Assessing the rigour of the reverse stress testing and contradictory evidence to determine whether they were sufficiently severe.
- Challenging the reasonableness of the underlying forecasts used by management by comparing these against historical actual amounts and confirming the consistency of the forecasts with the budget approved by the Board. Our challenge in this regard included analysing the Company's revenue split by each major title, as well as the expected performance of these titles over the assessment period and assessing the impact of the macroeconomic environment on forecasts.
- Considering the Group's net cash position through confirming cash balances held at the balance sheet date through bank confirmations received directly from third-party banks. We have further confirmed the facilities held by the Company at the balance sheet date, as well as confirming that no such facilities contain covenants and therefore no covenant compliance considerations are required.
- Comparing the current trading performance to management's going concern forecast by obtaining the latest available management accounts and latest available Group cash report to identify any issues with current trading and cashflows.
- Considering the further mitigating actions available to the Group, such as further cost mitigations, and the feasibility of management being able to execute such mitigating actions, when considering the likelihood of the stress testing and sensitivity analysis.
- Enquiring of any events or conditions expected beyond the going concern assessment period that may cast significant doubt on the entity's ability to continue as a going concern. No such events or conditions were identified.
- Reviewing the appropriateness of management's going concern disclosure in describing the risks associated with its ability to continue to operate as a going concern across the going concern review period to 30 September 2026.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and parent company's ability to continue as a going concern for a period to 30 September 2026.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT CONTINUED
TO THE MEMBERS OF FRONTIER DEVELOPMENTS PLC

OVERVIEW OF OUR AUDIT APPROACH

Audit scope	• We performed an audit of the complete financial information of the Frontier Developments plc component and central procedures on cash and cash equivalents, other intangible assets, intercompany balances, revenue, staff costs, administrative expenses and taxation balances.
Key audit matters	• Revenue recognition • Capitalisation of internally generated development costs • Recognition of tax credits (creative industry tax relief)
Materiality	• Overall Group materiality of £0.9 million, which represents 2.5% of EBITDA.

AN OVERVIEW OF THE SCOPE OF THE PARENT COMPANY AND GROUP AUDITS

In the current year our audit scoping has been updated to reflect the new requirements of ISA (UK) 600 (Revised). We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures, to identify and assess risks of material misstatement of the Group financial statements and identified significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the Group financial statements, we considered our understanding of the Group and its business environment, the applicable financial framework, the Group's system of internal control at the entity level and the existence of centralised processes.

We determined that centralised audit procedures could be performed on all four components covering cash and cash equivalents, other intangible assets, intercompany balances, revenue, staff costs, administrative expenses and taxation balances. We performed an audit of the complete financial information of the Frontier Developments plc component. We then considered whether the remaining Group significant account balances not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the Group financial statements. We did not identify any such significant accounts.

Our scoping to address the risk of material misstatement for each key audit matter is set out in the 'Key Audit Matters' section of our report.

INVOLVEMENT WITH COMPONENT TEAMS

All audit work performed for the purposes of the audit was undertaken by the Group audit team.

CLIMATE CHANGE

The Group has determined that climate change is not expected to have a significant impact on its operations given it operates in a digital industry with no significant physical asset base, as described in the Task Force on Climate-related Financial Disclosures and on page 26 in the principal risks and uncertainties, which form part of the consisted solely of considering whether they are materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, and ensuring that the effects of climate risks disclosed have been appropriately reflected in asset values and associated disclosures where values are determined through modelling future cash flows, being intangible assets. We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee	How we scoped our audit to respond to the risk
Revenue recognition (£90.6 million, 2024: £89.3 million) Refer to the accounting policies (page 56) and note 4 of the consolidated financial statements (page 59). We have assessed revenue recognition as a fraud risk as revenue forms the basis for certain of the Group's key performance indicators, including Adjusted Operating Profit, Adjusted EBITDA and Operating Profit. Manual journal entries are required to ensure that revenue is recognised appropriately and in the correct period. Given the journals are posted manually, they carry a higher risk of error and demonstrate potential for management override.	We performed journal entry testing in relation to revenue as part of our overall response to the risk of management override. We have not identified any journals that indicate management override. We checked for appropriate recognition and disclosure of revenue and did not identify any differences. We performed an analytical review by revenue stream and platform to assess unexpected trends and patterns that could be indicative of incorrect revenue recognition. We obtained appropriate audit evidence from management for any deviations from our expectation. We completed wider procedures over revenue to give assurance over the full account. This included performing a walkthrough to understand the process, testing revenue earned to third-party reports and cash receipts, and testing cut off of revenue at the year end with a focus on the accuracy of the accrued and deferred income balances.	We conclude that revenue recognised in the year ended 31 May 2025 is materially correct on the basis of our procedures performed.	Our procedures were not impacted by our scoping of account balances as we tested revenue centrally.

INDEPENDENT AUDITOR'S REPORT CONTINUED
TO THE MEMBERS OF FRONTIER DEVELOPMENTS PLC

KEY AUDIT MATTERS CONTINUED

Risk

Capitalisation of internally generated development costs (capitalised costs during the year: £28.6 million, 2024: £28.8 million)

Refer to the accounting policies (page 54) and note 11 of the consolidated financial statements (page 63).

Misstatements that occur in relation to capitalisation of games would affect the other intangibles assets account in the statement of financial position and research and development expenses account in the income statement.

IFRS requires development costs to be capitalised only under specific circumstances highlighted as follows:

- it is technically feasible to complete the intangible asset;
- there is clear intention to complete;
- ability to use or sell the intangible asset exists;
- there is adequate technical, financial and other resources to complete the asset;
- future economic benefits are probable; and
- expenditure can be measured reliably.

Management is able to apply judgement in determining capitalised costs. There is a risk that management manipulates the capitalisation of costs to achieve EBITDA targets.

Our response to the risk

We tested whether the costs relate to a technically feasible project, assessed the future economic benefit to be generated by the product and associated cash flows and the useful economic life assigned.

We walked through management's process for evaluating and monitoring the development plans, corroborated to source documentation, enquired of the development team to gain an understanding of the projects they are working on and the nature of costs incurred and benchmarked against similar projects.

For salary costs, we vouched a sample of amounts back to underlying payroll records and discussed with the project managers to test whether the time relates to capital activity. Further we inspected the allocation of staff hours between different projects to ensure appropriately allocated between game titles.

Key observations communicated to the Audit Committee

Our audit procedures did not identify any material misstatements with respect to capitalisation of internally generated development costs.

How we scoped our audit to respond to the risk

Our procedures were not impacted by our scoping of account balances as we tested the capitalisation of internally generated development costs centrally.

KEY AUDIT MATTERS CONTINUED

Risk

Recognition of tax credits (creative industry tax relief) (£10.8 million, 2024: £7.0 million)

Refer to the accounting policies (page 57) and notes 8, 19, 21 and 22 of the consolidated financial statements (pages 61, 67 and 68).

Misstatements that occur in relation to creative industry tax relief would affect the income tax credit financial statement lines in the income statement and government grants and cash and cash equivalents within the statement of financial position.

We have assessed a risk of overstatement of Video Game Development Tax Credits which is not supported by the relevant costs.

The tax environment for the Group is complex as a result of the following reliefs claimed which include both technical complexity and care is required to avoid inappropriately claiming different types of relief on the same underlying profits:

- Video Games Tax Relief (VGTR) provides additional tax relief on qualifying expenditure incurred in developing video games;
- Patent Box relief, which has the effect of taxing profits generated from the patent at a lower rate; and
- R&D tax credits – additional tax relief is available on R&D related expenditure.

Our response to the risk

With the assistance of EY specialists:

- we obtained a copy of the certificate necessary to obtain VGTR and perform a review of the key elements, to assess the eligibility for VGTR;
- we assessed management's documentation as to the types of costs to be included in the claim in comparison to the scheme rules and our knowledge of other claims;
- for significant costs, we have linked them into our other audit work performed or perform separate detailed testing, as necessary;
- we have considered the disclosures within the Annual Report and Accounts with reference to the requirements of IFRS.

Key observations communicated to the Audit Committee

Our audit procedures did not identify any material misstatements with respect to the relief claimed for the period.

How we scoped our audit to respond to the risk

Our procedures were not impacted by our scoping of account balances as we tested recognition of tax credits centrally.

In the prior year, our Auditor's Report included a key audit matter in relation to the impairment of intangible assets. In the current year, this is no longer a key audit matter due to the extent of headroom available which has reduced the risk of impairment.

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

INDEPENDENT AUDITOR'S REPORT CONTINUED
TO THE MEMBERS OF FRONTIER DEVELOPMENTS PLC

OUR APPLICATION OF MATERIALITY CONTINUED

MATERIALITY

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group and parent company to be £0.9 million (2024: £0.8 million), which is 2.5% (2024: 3%) of EBITDA. We believe that EBITDA provides us with the best benchmark, given the Group's profit focus and that EBITDA is a key performance indicator used by the stakeholders of the business.

PERFORMANCE MATERIALITY

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2024: 75%) of our planning materiality, namely £0.7 million (2024: £0.6 million). We have set performance materiality at this percentage due to our expectation of misstatements being low in both number and value, combined with our review of management oversight through entity level controls, which is also consistent with our previous experience of the Group.

REPORTING THRESHOLD

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.04 million (2024: £0.04 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

OTHER INFORMATION

The other information comprises the information included in the Annual Report set out on pages 01 to 41, other than the financial statements and our Auditor's Report thereon. The Directors are responsible for the other information within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Report of the Directors have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 30, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are the Companies Act 2006, UK-adopted International Accounting Standards, AIM Rules for Listed Companies, General Data Protection Regulations, HM Revenue & Customs regulations and other UK and Canada Tax Legislation.
- We understood how Frontier Developments plc is complying with those frameworks by considering the potential for override of controls or other inappropriate influence over the financial reporting process (such as efforts by management to manage earnings in order to influence the perceptions of analysts as to the Company's performance and profitability), the culture of honesty and ethical behaviour and whether a strong emphasis is placed on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by understanding which areas of the business present potential fraud risk areas (through assessing the presence of opportunities, incentives or potential rationalisation to commit such acts of fraud), understanding where these risks could present themselves and subsequently identifying the process level controls in place to prevent, or detect and correct them. Combining this with our review of entity level controls, which have evidenced management's behaviour and the culture embedded within the Company, we have gained a detailed understanding of the overall susceptibility to fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved direct enquiries with those charged with governance, as well as through meetings held with the Group's internal legal department. We further performed specific analyses and testing of legal expenses incurred in the period to ascertain the nature of such costs and confirm they did not relate to non-compliance with applicable laws and regulations.
- In response to the nature of the Group's operations and the GDPR compliance requirements in place surrounding customer data, the audit team have developed an understanding of the processes and controls in place to prevent non-compliance with such laws and regulations. These procedures have found a suitable environment to prevent such breaches.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

KATE ALLEN (SENIOR STATUTORY AUDITOR)
FOR AND ON BEHALF OF ERNST & YOUNG LLP, STATUTORY AUDITOR
READING
9 September 2025

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MAY 2025

	Notes	12 months to 31 May 2025 £'000	12 months to 31 May 2024* £'000
Revenue	4	**90,600**	89,270
Cost of sales		**(27,257)**	(27,954)
Gross profit		**63,343**	61,316
Research and development expenses	6	**(31,971)**	(67,881)
Sales and marketing expenses		**(7,710)**	(11,635)
Administrative expenses		**(14,921)**	(13,659)
Other operating income	7	**3,910**	4,851
Operating profit/(loss) before restructuring		**12,651**	(27,008)
Restructuring costs	6	**–**	(1,405)
Operating profit/(loss)		**12,651**	(28,413)
Finance income		**800**	832
Finance costs	13	**(1,032)**	(844)
Profit/(loss) before tax	6	**12,419**	(28,425)
Income tax credit	8	**3,968**	6,953
Profit/(loss) for the year attributable to shareholders		**16,387**	(21,472)

All the activities of the Group are classified as continuing.

* Finance income and finance costs were previously presented on a net basis but have now been presented separately.

	Notes	12 months to 31 May 2025 p	12 months to 31 May 2024 p
Earnings/(loss) per share	9		
Basic earnings/(loss) per share		**42.4**	(55.6)
Diluted earnings/(loss) per share		**40.7**	(55.6)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2025

	12 months to 31 May 2025 £'000	12 months to 31 May 2024 £'000
Profit/(loss) for the year	**16,387**	(21,472)
Other comprehensive income		
Items that will be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**(534)**	(277)
Total comprehensive income/(loss) for the year attributable to the equity holders of the parent	**15,853**	(21,749)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2025
(REGISTERED COMPANY NO: 02892559)

	Notes	31 May 2025 £'000	31 May 2024 £'000
Non-current assets			
Goodwill	10	**6,539**	6,954
Other intangible assets	11	**41,971**	35,702
Property, plant and equipment	12	**3,810**	4,739
Right-of-use assets	13	**17,548**	19,661
Trade and other receivables	14	**1,105**	–
Total non-current assets		**70,973**	67,056
Current assets			
Trade and other receivables	14	**12,290**	13,590
Current tax assets	19	**4,928**	7,216
Cash and cash equivalents	15	**42,502**	29,523
Total current assets		**59,720**	50,329
Total assets		**130,693**	117,385
Current liabilities			
Trade and other payables	16	**(10,418)**	(11,096)
Lease liabilities	13	**(1,823)**	(1,748)
Deferred revenue	17	**(1,486)**	(4,351)
Deferred income from R&D expenditure credits	18	**(955)**	–
Current tax liabilities	21	**(276)**	–
Total current liabilities		**(14,958)**	(17,195)
Net current assets		**44,762**	33,134
Non-current liabilities			
Provisions	20	**(100)**	(85)
Lease liabilities	13	**(17,644)**	(19,535)
Other payables	16	**(635)**	(3,101)
Deferred revenue	17	**–**	(256)
Deferred income from R&D expenditure credits	18	**(1,204)**	–
Deferred tax liabilities	22	**(990)**	(390)
Total non-current liabilities		**(20,573)**	(23,367)
Total liabilities		**(35,531)**	(40,562)
Net assets		**95,162**	76,823
Equity			
Share capital	23	**197**	197
Share premium account	23	**36,547**	36,547
Equity reserve		**(12,955)**	(13,283)
Foreign exchange reserve		**(1,407)**	(873)
Retained earnings		**72,780**	54,235
Total equity		**95,162**	76,823

These financial statements were approved by the Directors on 9 September 2025 and signed on their behalf by:

ALEX BEVIS
DIRECTOR

The accompanying accounting policies and notes form part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2025

	Notes	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 year		–	–	–	–	(21,472)	(21,472)
Other comprehensive income:							
Exchange differences on translation of foreign operations		–	–	–	(277)	–	(277)
Total comprehensive loss for the year		–	–	–	(277)	(21,472)	(21,749)
Share-based payment charges	26	–	–	2,778	–	–	2,778
Share-based payment transfer relating to option exercises and lapses		–	–	(1,508)	–	1,508	–
Deferred tax movements posted directly to reserves	8	–	–	–	–	(174)	(174)
Transactions with owners		–	–	1,270	–	1,334	2,604
At 31 May 2024		197	36,547	(13,283)	(873)	54,235	76,823
Profit for the year		–	–	–	–	16,387	16,387
Other comprehensive income:							
Exchange differences on translation of foreign operations		–	–	–	(534)	–	(534)
Total comprehensive income for the year		–	–	–	(534)	16,387	15,853
Share-based payment charges	26	–	–	2,368	–	–	2,368
Share-based payment transfer relating to option exercises and lapses		–	–	(2,158)	–	2,158	–
Employee Benefit Trust cash inflows from option exercises		–	–	118	–	–	118
Transactions with owners		–	–	328	–	2,158	2,486
At 31 May 2025		**197**	**36,547**	**(12,955)**	**(1,407)**	**72,780**	**95,162**

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 MAY 2025

	Notes	12 months to 31 May 2025 £'000	12 months to 31 May 2024 £'000
Profit/(loss) before taxation		**12,419**	(28,425)
Adjustments for:			
Depreciation and amortisation	6	**23,435**	36,892
Impairment of other intangible assets	6	**–**	16,930
Movement in unrealised exchange gains on forward contracts		**–**	(37)
Share-based payment expenses	26	**2,368**	2,778
Interest received		**(800)**	(832)
Payment of interest element of lease liabilities		**1,032**	844
Other operating income	7	**(3,910)**	(4,851)
Working capital changes:			
Change in trade and other receivables		**1,466**	3,661
Change in trade and other payables		**635**	(4,557)
Change in deferred revenue	17	**(3,121)**	–
Change in deferred income from R&D expenditure credits	18	**2,159**	–
Change in provisions	20	**15**	14
Cash generated from operations		**35,698**	22,417
Taxes received		**5,808**	9,208
Net cashflows from operating activities		**41,506**	31,625
Investing activities			
Purchase of property, plant and equipment	12	**(341)**	(960)
Expenditure on other intangible assets		**(30,370)**	(29,419)
Payments for contingent consideration on business acquisitions		**–**	(1,516)
Sale of publishing rights	7	**4,005**	3,195
Interest received		**800**	832
Net cashflows used in investing activities		**(25,906)**	(27,868)
Financing activities			
Employee Benefit Trust cash inflows from option exercises		**118**	–
Payment of principal element of lease liabilities	13	**(1,726)**	(1,665)
Payment of interest element of lease liabilities	13	**(1,032)**	(844)
Net cashflows used in financing activities		**(2,640)**	(2,509)
Net change in cash and cash equivalents		**12,960**	1,248
Cash and cash equivalents at beginning of year		**29,523**	28,311
Exchange differences on cash and cash equivalents		**19**	(36)
Cash and cash equivalents at end of year		**42,502**	29,523

The accompanying accounting policies and notes form part of the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2025

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. SIGNIFICANT ACCOUNTING POLICIES
BASIS OF PREPARATION
The consolidated financial statements of the Group have been prepared in accordance with UK-adopted International Accounting Standards (IASs) and the requirements of the Companies Act 2006 applicable to companies reporting under UK-adopted IASs. The financial information has been prepared on the basis of all applicable IFRSs, including all IASs, Standing Interpretations Committee (SIC) interpretations and International Financial Reporting Interpretations Committee (IFRIC) interpretations that are applicable to the financial period.

The consolidated financial information has been prepared on a going concern basis under the historical cost convention, except for financial instruments held at fair value. The consolidated financial information is presented in Sterling and has been rounded to the nearest thousand (£'000) except when otherwise indicated. The principal accounting policies adopted are set out below.

GOING CONCERN BASIS
The Group 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 have adequate resources to continue in operational existence for the period to 30 September 2026. The Group and Company therefore continue to adopt the going concern basis in preparing their financial statements.

The Group's day-to-day working capital requirements are expected to be met through the cash and cash equivalent resources (including treasury deposits) at the balance sheet date of 31 May 2025 of £42.5 million along with expected cash inflows from current business activities. Cash and cash equivalent resources (including treasury deposits) at 31 August 2025 were £39.4 million. The Annual Budget approved by the Board of Directors, which has been used to assess going concern, reflects assessments of current and future market conditions and the impact this may have on cash resources.

The Group has also performed stress testing on the Annual Budget in respect of potential downside scenarios to identify the break point of current cash resources and to identify when current liquidity resources may fall short of requirements.

The scenarios both consider a reduction in predicted revenues; however, the reduction would need to be severe in order to prevent the Group from continuing as a going concern and is considered to be highly unlikely to occur. The Group has also identified mitigating actions that could be reasonably taken, if required, to offset the reduction of cash inflows, to enable it to continue its operations for the period to 30 September 2026.

The sensitivities included in the stress testing include a significant reduction of revenue for the Group from both the existing portfolio and future game launches, including factoring in delays to major game launches.

As expected, the scenarios resulted in an accelerated use of current cash resources; however, in all scenarios tested the current cash resources were sufficient to support the Group's activities. This is due to a variety of factors:

- the Group currently has significant cash reserves to maintain the current level of operations;
- the development and publishing of titles has progressed as expected; and
- should a more extreme downside scenario occur, the Group could take further mitigating actions by reducing its operating costs.

Having considered all the above, including the current strong cash position, no current impact on debtor recoverability and the continued strong trading performance for the Group, the Directors are satisfied that there are sufficient resources to continue operations for the period to 30 September 2026. The financial statements for the year ended 31 May 2025 are therefore prepared under the going concern basis.

NEW AND AMENDED STANDARDS AND INTERPRETATIONS
The Group adopted the following amendments to standards and interpretations, which are effective for the first time this year:

- amendments to IAS 21 – Lack of exchangeability.

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

The Directors also considered the impact on the Group of new and revised accounting standards, interpretations, or amendments which have been issued but were not effective for the Group for the year ended 31 May 2025, which are as follows:

- amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments;
- amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity;
- annual improvements to IFRS Accounting Standards – Volume 11;
- IFRS 18 – Presentation and Disclosure in Financial Statements; and
- IFRS 19 – Subsidiaries without Public Accountability.

None are expected to have a material impact on the consolidated financial statements when first applied except for IFRS 18 – Presentation and Disclosure in Financial Statements for which management is currently assessing the impact on the financial statements.

BASIS OF CONSOLIDATION
The consolidated financial statements incorporate those of the Group and all entities controlled by it, after eliminating intercompany transactions. Control is achieved where the Group is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group. The entities' results are adjusted, where appropriate, to conform to Group accounting policies.

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

BUSINESS COMBINATIONS AND GOODWILL

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition date fair values of assets transferred, liabilities incurred, and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. Assets acquired and liabilities assumed are measured at their acquisition date fair values.

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is initially measured at cost, being the excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets acquired. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment every six months using a discounted cashflow method applied to business forecasts. If this review demonstrates that impairment has occurred, this is expensed to the consolidated income statement. Goodwill is allocated to cash generating units (CGUs) for the purpose of impairment testing, with the allocation being made to those cash generating units that are expected to benefit from the business combination in which the goodwill arose.

INTANGIBLE ASSETS ACQUIRED IN A BUSINESS COMBINATION

The cost of such intangible assets is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. An asset is only recognised if the following conditions are met:

- it meets the definition of an intangible asset under IAS 38 Intangible Assets;
- the asset is separable or arises from contractual or legal rights; and
- sufficient information exists to measure reliably the fair value of the asset.

CAPITALISATION OF OTHER INTANGIBLE ASSETS

Other intangible assets are measured at historical cost and comprise four categories:

- game technology, which includes Frontier's game engine and other technology which supports the development and publication of games;
- game developments, which include development of self-published games and paid downloadable content;
- third-party software, which includes software bought from suppliers for use within the Group's activities; and
- IP licences, which are based on the minimum guarantees payable by the Group to the IP owner.

An internally generated intangible asset arising from the Group's development activities is recognised only if all of the following conditions are met:

- completion of the intangible asset is technically and commercially feasible so that it will be available for use in developing games (in respect of development tools) or for sale of games (in respect of self-published software);
- the Group intends to complete the intangible asset and has the ability to use or license it as indicated above, thus generating probable future economic benefits;
- the expenditure attributable to the intangible asset during its development, mainly salary costs, can be measured reliably; and
- the Group has adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

Internally generated intangible assets consist of direct labour costs, other specific direct project costs and directly attributable project support costs. Where no internally generated intangible asset can be recognised, development expenditure, including research activities, is recognised as an expense in the period in which it is incurred.

From time to time the Group enters into agreements with third-party intellectual property (IP) owners to secure IP rights to support the development and publication of certain games or game content. These agreements typically contain a schedule of royalties payable to the IP owner, based on a percentage of sales which are expensed as incurred. The agreements may also include guaranteed minimum amounts payable to the IP owner. It is the Group's policy to record a financial liability for the total of any guaranteed minimum amount when the agreement is executed, and these amounts are typically treated as licence costs and capitalised as intangible assets according to, and subject to, the principles of IAS 38.

AMORTISATION OF OTHER INTANGIBLE ASSETS

The useful lives of other intangible assets are assessed as either finite or indefinite and at the year end date no intangible assets are accorded an indefinite life other than goodwill. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Amortisation is calculated over the estimated useful lives of the assets as follows:

- Game technology – over the period of expected benefit between one and three years.
- Game developments – over the period of expected benefit between one and four years.
- Third-party software – 2.5 years straight-line.
- IP licences – in line with the financial performance following launch of the game.

Amortisation of game technology and game developments commences upon completion of the asset. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Amortisation charges for other intangible assets that relate to game technology, game developments and third-party software are expensed within research and development expenses. Amortisation charges for IP licences are typically charged to cost of sales, which reflects the IP licence royalties which the minimum guarantees relate to.

IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date the Group assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

IMPAIRMENT OF NON-FINANCIAL ASSETS CONTINUED

In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cashflows after the fifth year.

Impairment losses of continuing operations are recognised in the income statement in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation and amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

The Group assesses where climate risks could have a significant impact, such as the introduction of emissions reduction legislation that may increase costs. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cashflow forecasts in assessing value in use amounts.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is charged to the income statement so as to write off the cost less estimated residual values over their expected useful lives on a straight-line basis over the following periods:

- Fixtures and fittings – 5 years.
- Computer equipment – 2.5 years to 5 years.
- Leasehold improvements – shorter of the lease term or the useful life of the underlying asset.

Residual values and useful economic lives are assessed annually. The gain or loss on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in administrative expenses.

Property, plant and equipment are also assessed for impairment. Refer to the accounting policies in the 'Impairment of non-financial assets' section.

ASSETS IN THE COURSE OF CONSTRUCTION

Assets in the course of construction are stated at cost. Once the asset has been completed the carrying value of the asset is transferred to leasehold improvements. The asset is depreciated over the remaining life of the lease.

LEASES

At the point of inception of a contract the Group will assess if the contract is for, or contains, a lease. For all contracts that the Group is lessee for, a right-of-use asset is recognised alongside a corresponding lease liability. The Group utilises the short-term lease assets (for leases of 12 months or less) and the low-value assets exemptions. The Group does not hold any contracts whereby it is the lessor.

The lease liability is initially measured as the present value of all future lease payments that are due, but not paid, at the commencement date. The discount factor used for the calculation of the present value is the Group's incremental borrowing rate.

Lease payments are defined as the following elements:

- fixed payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is then remeasured using the effective interest method. This method increases the lease liability to reflect the interest on the liability and is reduced by the lease payment actually made to result in the carrying amount.

The right-of-use asset is initially measured at cost.

The cost of the asset is defined as the following elements:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives; and
- any initial direct costs incurred by the lessee.

The asset is subsequently measured at cost less accumulated depreciation and any applicable impairment loss and is presented separately on the statement of financial position.

The depreciation period is the shorter of the lease term or the useful life of the underlying asset. The depreciation period starts at the commencement date of the lease.

Right-of-use assets are also subject to impairment. Refer to the accounting policies in the 'Impairment of non-financial assets' section.

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

FINANCIAL ASSETS AT AMORTISED COST

Financial assets comprise trade receivables, other receivables and cash and cash equivalents.

Financial assets classified as loans and receivables are recognised initially at fair value and measured subsequent to initial recognition at amortised cost using the effective interest method, less provision for impairment, except for financial assets designated at fair value through profit and loss (FVTPL). Any change in their value through impairment or reversal of impairment is recognised in the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

FINANCIAL ASSETS AT AMORTISED COST CONTINUED

The Group assesses on a forward-looking basis the expected credit losses associated with its financial assets measured at amortised cost. The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. For other financial assets at amortised cost, the Group determines whether there has been a significant increase in credit risk since initial recognition. The Group recognises 12-month expected credit losses if there has not been a significant increase in credit risk and lifetime expected credit losses if there has been a significant increase in credit risk.

Cash and cash equivalents comprise cash in hand and bank deposits available on demand, together with other short-term, highly liquid deposit accounts maturing within three months of their inception.

FINANCIAL LIABILITIES AT AMORTISED COST

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its financial liabilities. Equity instruments do not include a contractual obligation to deliver cash or other financial assets to another entity. Any instrument that does have the obligation to deliver cash or another financial asset to another entity is classified as a financial liability.

Financial liabilities are presented under liabilities on the statement of financial position.

The Group's financial liabilities include trade and other payables and lease liabilities.

Financial liabilities are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method, except for financial liabilities designated at fair value through profit and loss (FVTPL).

FINANCIAL ASSETS AND LIABILITIES AT FVTPL

Derivative financial instruments are financial assets and liabilities measured at fair value through profit and loss (FVTPL) and are financial instruments that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative instruments fall into this category.

Financial instruments in this category are measured at fair value with gains or losses recognised in the income statement. The fair values of financial assets and liabilities in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

EMPLOYEE BENEFITS

All accumulating employee compensated absences that are unused at the balance sheet date are recognised as a liability within trade and other payables.

The parent company operates a defined contribution retirement benefit scheme which commenced on 1 January 2014 ahead of the Company's expected auto-enrolment date. Payments to defined contribution retirement benefit schemes are charged as an expense in the period to which they relate.

PROVISIONS

Provisions for dilapidations are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

SHARE CAPITAL AND RESERVES

Share capital – share capital represents the nominal value of the shares that have been issued.

Share premium – share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.

Equity reserve – this represents the value of the Employee Benefit Trust (EBT) that is offset against distributable reserves and equity-settled share-based employee remuneration until such share options are exercised.

Foreign exchange reserve – this represents the exchange difference on consolidation of overseas subsidiaries.

Retained earnings – retained earnings include all current and prior period retained earnings.

EMPLOYEE BENEFIT TRUST (EBT)

As the Group is deemed to have control of its EBT, it is treated as a subsidiary and consolidated for the purposes of the consolidated financial statements. The EBT's assets (other than investments in the Company's shares), liabilities, income and expenses are included on a line-by-line basis in the consolidated financial statements. The EBT's investment in the Company's shares is deducted from equity in the consolidated statement of financial position as if they were treasury shares. The gain or loss on transfer of the shares from the EBT to employees is recognised within equity.

REVENUE

Revenue represents amounts derived from the design, production and sale of computer games software and related technology which fall within the Group's ordinary activities, exclusive of value-added tax and other similar sales taxes. Revenue is recognised as an amount that reflects the consideration to which the Group expects to be entitled in exchange for the goods or services.

Revenue includes income from the commercial release of full games and early access versions of self-published games, paid downloadable content, virtual currency, royalties from published games and associated physical merchandise.

Revenue from released self-published games is recognised in accordance with IFRS 15 on download of the game or upon purchase of in-game digital items.

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

REVENUE CONTINUED

Free downloadable content or updates provided to consumers are not considered additional performance obligations as these are not promised to the consumer and are only available at the discretion of the Group. Assessment is carried out by management each year as to whether a constructive obligation to provide free downloadable content or updates is created, with no such instances occurring in the financial year.

Revenue from pre-orders of self-published games, whereby receipt of advance payment takes place, is deferred and then recognised when the Group meets its performance obligations upon commercial release of the game.

The Group also receives licence revenue from providers of subscription services. The Group's customers are the providers of online subscription services which will typically pay the Group a fee to include a product within their wider subscription package. For such arrangements the Group does not have control in relation to the arrangements between the subscription providers and their subscribers and as such the provider and not the consumer of the subscription service is considered to be the Group's customer. Licence revenue associated with subscription services is recognised, in accordance with IFRS 15, at the point in time when the Group has met its performance obligations associated with that service, which is when the customer is provided with the right-to-use licence for the game to be made available on a subscription service.

Physical discs are distributed through our agents to retailers and the retailers are considered to be our customer. The performance obligation is satisfied at the point the retailer takes delivery of the discs, but sales are made to retailers with a right of return. Revenue is recognised only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Due to the uncertainty around return levels for new games revenue is not recognised until the discs are sold by the retailer to the end user.

Revenue received from virtual currency is recognised once the performance obligation has been satisfied and the customer has redeemed the virtual currency on paid downloadable content.

SEGMENT REPORTING

The Group identifies one operating segment as the business is managed as a whole, reflecting the transition of the Group from an external publisher to self-publishing. For management purposes the chief operating decision maker, which the Group considers to be the Chief Executive Officer, reviews the financial information, which is consistent with that reported in its financial statements, with financial performance measured on the basis of contribution before central costs. Assets are not fully directly attributable to any separable activity, other than to self-published software intangibles.

SHARE-BASED PAYMENT TRANSACTIONS

Share options are periodically granted to staff. Share options and warrants are measured at fair value at the date of grant and recognised over the vesting period of the option. Fair value is measured using the Black-Scholes option pricing model or the Monte Carlo simulation. The expected life used in the model is an estimate of the likely average expiry date of the options by reference to the current rate of exercise by employees.

The share-based payment is recognised as an expense in the income statement, together with a corresponding credit to an equity reserve. This expense is recognised on a straight-line basis based on the Group's estimate of the number of shares that will vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, if new shares are issued, the proceeds received up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium. If shares are issued via the EBT, the gain or loss on transfer of the shares from the EBT to employees is recognised within equity. Upon the exercise or lapsing of the grant a transfer of the cumulative value of the grant is made from the equity reserve to the profit and loss reserve.

INCOME TAXES

Income tax expense comprises the current and deferred tax.

Current income tax liabilities comprise those obligations to fiscal authorities relating to the current or prior reporting period that are unpaid at the statement of financial position date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement, except where it relates to items outside profit or loss. Tax relating to items in other comprehensive income is recognised in other comprehensive income and tax relating to items directly in equity is recognised directly in equity.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the financial statements with their respective tax bases. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets. However, deferred tax is not provided on the initial recognition of an asset or liability, unless the related transaction is a business combination or affects tax or accounting profit or gives rise to equal taxable and deductible temporary difference.

Deferred tax liabilities are always provided in full. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the reporting date.

Deferred tax is recognised as a component of tax expense in the income statement. Deferred tax relating to items directly in equity is recognised directly in equity and deferred tax relating to items recognised in other comprehensive income is recognised in other comprehensive income.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

R&D EXPENDITURE CREDITS

R&D expenditure credits are accounted for as government grants. Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to the income statement over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

The Group is elected into the new merged Research and Development Expenditure Credit (RDEC) scheme.

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

R&D EXPENDITURE CREDITS CONTINUED

The RDEC relates to the corporation tax relief receivable relating to qualifying research and development expenditure in the relevant periods and is offset against the related costs and therefore presented within research and development expenses in the income statement.

The Group is also entitled to the Manitoba Interactive Digital Media Tax Credit (MIDMTC) granted by the Province of Manitoba. The tax credits are based on qualifying expenditures and are subject to review and possible adjustment by the Canadian Revenue Authority and the Provincial authorities. The tax credits have been recorded in the income statement in the period the related qualifying expenses have been incurred.

FOREIGN CURRENCIES

The results of overseas subsidiary undertakings are translated at average exchange rates for the period. The assets and liabilities of such undertakings are translated at period-end exchange rates. Exchange differences on the results for the period and the opening net assets are reported in other comprehensive income and accumulated in the foreign exchange reserve in equity. On disposal of a foreign operation, the cumulative translation differences are transferred to the profit and loss as a reclassification adjustment as part of the gain or loss on disposal.

Transactions denominated in a foreign currency are translated at the appropriate rate of exchange for the relevant transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the statement of financial position date.

Foreign exchange differences are charged to the income statement in the period in which they arise.

3. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENTS

Accounting judgements – the Group applies judgement in how it applies its accounting policies, which do not involve estimation, which could materially affect the numbers disclosed in these financial statements. The key judgements, without estimation, that could have the most significant effect on the amounts recognised in these financial statements are as follows:

CAPITALISATION OF DEVELOPMENT COSTS

The Group invests heavily in research and development. The identification of development costs that meet the criteria for capitalisation is dependent on management's judgement and knowledge of the work done. Judgements around capitalisation are based on the information available at initial recognition. Economic success of any development is based upon expected future cashflows, where this can be measured reliably, but remains uncertain at the time of recognition as it may be subject to future technical problems and therefore a review for indicators of impairment is completed by game at each period end date. The net book value of the Group's other intangible assets at 31 May 2025 is £42.0 million (31 May 2024: £35.7 million).

DEFERRED TAX

Although the Group is recognising a net deferred tax liability on the statement of financial position, a deferred tax asset is recognised on tax losses carried forward where the Group considers it probable that the losses will be utilised by future profits. This specifically applies to tax losses at the statement of financial position date. In estimating the amount of the deferred tax asset that should be recognised, the Directors make judgements based on current forecasts about the amount of future taxable profits and the timings of when these will be realised.
A deferred tax asset of £2.0 million was recognised at 31 May 2025 (31 May 2024: £3.0 million) in respect of carried forward tax losses in the Company to the extent of available taxable temporary differences, thereby offsetting the deferred tax liability of the parent company to £nil due to both the deferred tax asset and liability arising from the same tax jurisdiction. A deferred tax asset for the remaining carried forward tax losses of £106.4 million has not been recognised at 31 May 2025 (31 May 2024: £109.5 million) due to uncertainty on the timing of the utilisation of those losses.

Significant estimates – the preparation of financial statements in accordance with UK-adopted International Accounting Standards (IASs) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors consider the following to be the key estimates applicable to the financial statements, which have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year or in the longer term:

USEFUL LIFE OF CAPITALISED DEVELOPMENT COSTS

Amortisation of capitalised development costs, included within other intangible assets, is calculated over the useful economic lives of the assets, which is over the period of expected benefit between one and three years for game technology and one and four years for game developments. The estimates of useful economic lives are reviewed at least annually for any changes to this estimate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 MAY 2025

4. 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.

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.

Other revenue mainly related to royalty income in both years.

	12 months to 31 May 2025 £'000	12 months to 31 May 2024 £'000
Publishing revenue	90,271	88,096
Other revenue	329	1,174
Total revenue	90,600	89,270

Revenue by geographical location, derived from end consumers through third-party platforms, is detailed as follows:

	12 months to 31 May 2025 £'000	12 months to 31 May 2024 £'000
United Kingdom	11,456	10,135
Rest of Europe	29,499	27,740
USA	31,777	31,010
Rest of World	17,868	20,385
Total revenue	90,600	89,270

The Group holds its non-current operating assets, including goodwill, other intangible assets, property, plant and equipment, and right-of-use assets, in the following locations:

	31 May 2025 £'000	31 May 2024 £'000
United Kingdom	65,496	64,673
Canada	4,372	2,383
Total non-current operating assets	69,868	67,056

5. STAFF COSTS
Aggregate payroll costs of persons employed by the Group (including Directors) during the year were as follows:

	12 months to 31 May 2025 £'000	12 months to 31 May 2024 £'000
Wages and salaries	34,620	38,016
Social security costs	3,546	3,924
Pension costs	3,468	3,923
Share-based compensation (note 26)	2,368	2,778
Restructuring costs	–	1,287
Total staff costs	44,002	49,928

The average number of persons employed by the Group (including Directors) during the year was as follows:

	12 months to 31 May 2025	12 months to 31 May 2024
Research and development	597	709
Sales, marketing and administrative	99	128
Total average number of employees	696	837

The remuneration of the Board of Directors during the year was:

	12 months to 31 May 2025 £'000	12 months to 31 May 2024 £'000
Executive Director emoluments (including bonuses)	1,005	1,106
Non-Executive Director fees	150	225
Non-Executive Director consultancy fees	50	50

The emoluments of the highest paid Director during the year were:

	12 months to 31 May 2025 £'000	12 months to 31 May 2024 £'000
Emoluments (including bonuses and share option gains)	321	354

For detailed Directors' remuneration disclosures refer to the Remuneration Report.

6. PROFIT/(LOSS) BEFORE TAX

	12 months to 31 May 2025 £'000	12 months to 31 May 2024 £'000
This is stated after charging/(crediting):		
Amortisation of other intangible assets (note 11):		
- Cost of sales	–	1,702
- Research and development expenses	20,149	31,408
Impairment of other intangible assets (note 11):		
- Research and development expenses	–	16,930
Depreciation of property, plant and equipment (note 12):		
- Research and development expenses	862	1,502
- Administrative expenses	395	408
Depreciation of right-of-use assets (note 13):		
- Administrative expenses	2,029	1,872
Research and development costs expensed	10,960	18,484
Foreign exchange losses	806	153
Income recognised from R&D expenditure credits (note 18)	–	(1,041)
Restructuring costs	–	1,405
Auditor remuneration – audit of the parent company and Group	205	199

Cost of sales represents the direct expenses incurred in generating revenue, including platform commissions, IP royalties paid to partners, costs associated with manufacturing physical discs and expenses related to online servers.

Research and development costs expensed is defined as follows:

	12 months to 31 May 2025 £'000	12 months to 31 May 2024 £'000
Research and development expenses	31,971	67,881
Less: amortisation charges of other intangible assets (note 11)	(20,149)	(30,965)
Less: impairments of other intangible assets (note 11)	–	(16,930)
Less: depreciation of property, plant and equipment (note 12)	(862)	(1,502)
Research and development costs expensed	10,960	18,484

7. OTHER OPERATING INCOME

On 1 April 2025 (FY25), Frontier sold the game assets and associated publishing and development rights for *Stranded: Alien Dawn* to Paradox Interactive AB for a one-time payment of £3.6 million, following its acquisition of Haemimont Games AD. The game, developed in collaboration with Haemimont and published under the Frontier Foundry label in October 2022, had an intangible asset value of £72k at the time of sale (note 11). This resulted in a gain of £3.53 million, which has been recorded under other operating income in the consolidated income statement.

On 15 March 2024 (FY24), Frontier sold the game assets and associated publishing and development rights for *RollerCoaster Tycoon 3* (RCT3) to Atari to enable Atari to become the sole publisher of all major titles within the RollerCoaster Tycoon franchise. Total consideration for the sale of the RCT3 assets was agreed at US$7.0 million, comprising £3.2 million (US$4.0 million) of up-front cash and £2.4 million (US$3.0 million) of contingent cash consideration. A gain on sale of the RCT3 assets of £4.9 million, representing the up-front consideration received in the period (£3.2 million) and the discounted net present value of future consideration (£1.7 million), was recorded in other operating income in the consolidated income statement in FY24.

During the year, the contingent cash consideration was remeasured to fair value, resulting in an upward adjustment of £382k. This revision was driven by stronger-than-expected sales performance of RCT3, which led to an anticipated acceleration in the receipt of the contingent consideration.

Other operating income included in the consolidated income statement therefore comprises:

	12 months to 31 May 2025 £'000	12 months to 31 May 2024 £'000
Gain on sale of publishing rights for *RollerCoaster Tycoon 3*	–	4,851
Fair value revaluation of contingent consideration on sale of publishing rights for *RollerCoaster Tycoon 3*	382	–
Gain on sale of publishing rights for *Stranded: Alien Dawn*	3,528	–
Total other operating income	3,910	4,851

Cash received in respect to the sale of publishing rights during the year was as follows:

	12 months to 31 May 2025 £'000	12 months to 31 May 2024 £'000
Sale of publishing rights for *RollerCoaster Tycoon 3*	405	3,195
Sale of publishing rights for *Stranded: Alien Dawn*	3,600	–
Total cash received in respect to the sale of publishing rights	4,005	3,195

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MAY 2025

8. TAXATION ON ORDINARY ACTIVITIES

The major components of the income tax credit are:

Consolidated income statement	**12 months to 31 May 2025 £'000**	12 months to 31 May 2024 £'000
Current tax:		
- Credit in respect of current year	**(4,512)**	(5,868)
- Adjustments in respect of prior years	**(78)**	(894)
Total current tax	**(4,590)**	(6,762)
Deferred tax:		
- Charge/(credit) in respect of current year	**617**	(185)
- Adjustments in respect of prior years	**5**	(6)
Total deferred tax (note 22)	**622**	(191)
Total taxation credit reported in the consolidated income statement	**(3,968)**	(6,953)

Consolidated equity	**12 months to 31 May 2025 £'000**	12 months to 31 May 2024 £'000
Deferred tax related to items recognised in equity during the year:		
- Net change in share option exercises	**–**	174

Reconciliation of total tax credit at statutory tax rates:

	12 months to 31 May 2025 £'000	12 months to 31 May 2024 £'000
Profit/(loss) on ordinary activities before taxation	**12,419**	(28,425)
Tax on loss on ordinary activities at standard statutory tax rate of 25% (FY24: 25%)	**3,105**	(7,106)
Factors affecting tax expense for the year:		
Expenses not deductible for tax purposes	**238**	63
Adjustments in respect of prior years	**(73)**	(900)
Video Games Tax Relief enhanced deductions on which credits claimed	**(5,869)**	(7,290)
Benefit of Patent Box	**(1,016)**	–
Movement in unrecognised deferred tax asset	**(410)**	8,259
Effect of higher tax rates in Canada	**57**	21
Total taxation credit reported in the consolidated income statement	**(3,968)**	(6,953)

The corporation tax rate has remained at 25% since 1 April 2023; therefore, at 31 May 2025, tax on profit on ordinary activities was being measured at the rate of 25%. Deferred taxes have been measured using the tax rate at the date that the deferred tax asset or liability unwinds of 25% (31 May 2024: 25%).

In FY25 the Group generated taxable profits of £12.4 million (FY24: loss of £28.4 million) and an implied tax charge at 25% of £3.1 million (FY24: a tax credit of £7.1 million); however, the Group has recorded a total corporation tax credit of £4.0 million (31 May 2024: £7.0 million). The key contributors to the net credit recorded are the enhanced tax deductions available from the Video Games Tax Relief (VGTR) scheme of £5.9 million (31 May 2024: £7.3 million) and Patent Box relief that reduced the taxable profits for *Jurassic World Evolution 2* and *Planet Zoo* by a total of £1.0 million. No benefit in respect of Patent Box relief was claimed in FY24 as the Group did not generate sufficient profits from patented income.

VGTR benefits the Group by claiming an additional (enhanced) deduction from its taxable profit relating to the video game trades. In FY25, the additional deduction in respect of VGTR was £5.9 million, being £23.5 million of qualifying expenditure at a tax rate of 25% (FY24: £7.3 million being £29.2 million of qualifying expenditure at a tax rate of 25%). The £1.4 million year-on-year decrease in the enhanced deduction was due to the decrease in development costs in FY25 and therefore a decrease core development expenditure in respect of video games that are subject to VGTR.

The Group recognised an adjustment in respect of prior period of £74k during FY25 due to additional expenditure included in the Scientific Research and Experimental Development (SRED) claim. During FY24 the Group recognised an adjustment in respect of prior period of £900k due to additional core expenditure in the *F1® Manager* Franchise VGTR claim.

8. TAXATION ON ORDINARY ACTIVITIES CONTINUED

During FY25, the Group recognised a net credit of £0.4 million in relation to movements in unrecognised deferred tax assets. This primarily reflects a £0.2 million tax-effected benefit arising from deductible temporary differences associated with the employee share scheme, as well as a £0.2 million temporary difference relating to deferred income recognised in respect of the Research and Development Expenditure Credit (RDEC). These favourable movements were offset by a £0.8 million increase in unrecognised tax losses, resulting in the overall net credit.

The movement in the unrecognised tax losses of £0.8 million is due to a £3.2 million net reduction in recognised tax losses, at a tax rate of 25%. The reduction in tax losses are in respect of £7.7 million (credit of £1.9 million, at a tax rate of 25%) of prior year losses being utilised during the year, less £4.5 million of losses that have been derecognised in FY25 (debit of £1.0 million, at a tax rate of 25%) to bring the deferred tax liability to £nil.

Refer to note 22 for more details on the deferred tax asset recognised in respect of losses carried forward.

The losses do not have an expiry date.

9. 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.

	12 months to 31 May 2025	12 months to 31 May 2024 £'000
Profit/(loss) attributable to shareholders (£'000)	**16,387**	(21,472)
Weighted average number of shares	**38,658,275**	38,608,645
Basic earnings/(loss) per share (p)	**42.4**	(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.

	12 months to 31 May 2025	12 months to 31 May 2024 £'000
Profit/(loss) attributable to shareholders (£'000)	**16,387**	(21,472)
Diluted weighted average number of shares	**40,265,330**	38,608,645
Diluted earnings/(loss) per share (p)	**40.7**	(55.6)

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

	12 months to 31 May 2025	12 months to 31 May 2024 £'000
Weighted average number of shares	**38,658,275**	38,608,645
Dilutive effect of share options	**1,607,055**	–
Diluted average number of shares	**40,265,330**	38,608,645

10. GOODWILL

	£'000
At 31 May 2023	7,160
Exchange rate movement	(206)
At 31 May 2024	6,954
Exchange rate movement	(415)
At 31 May 2025	**6,539**

The Group tests goodwill for impairment annually, or more frequently if there are indications that goodwill might be impaired. Goodwill acquired in a business combination is allocated to the CGUs that are expected to benefit from that business combination. The Group has allocated the goodwill to a group of CGUs, equivalent to the single operating segment of the Group, for impairment testing purposes.

Goodwill impairment tests were carried out at 31 May 2025 in line with the impairment tests carried out on other intangible assets and therefore further detail is included within note 11 in respect of these tests.

As a result of these tests, no impairment charge was required.

11. OTHER INTANGIBLE ASSETS

The Group's other intangible assets comprise game technology, game developments, third-party software and IP licences. Game technology includes Frontier's COBRA game engine and other technology which supports the development and publication of games. The game developments category includes capitalised development costs for base game and PDLC assets. Third-party software includes subscriptions to development and business software. Intangible assets for IP licences are recognised at the execution of the licence, based on the minimum guarantees payable by the Group to the IP owner.

	Game technology £'000	Game developments £'000	Third-party software £'000	IP licences £'000	Total £'000
Cost					
At 31 May 2023	23,182	167,185	2,877	11,185	204,429
Additions	4,558	21,963	436	1,839	28,796
Disposals	–	(490)	–	–	(490)
Exchange rate movement	–	(150)	(1)	–	(151)
At 31 May 2024	27,740	188,508	3,312	13,024	232,584
Additions	5,024	23,255	276	–	28,555
Disposals	–	(5,841)	–	(1,916)	(7,757)
Exchange rate movement	–	(406)	(3)	–	(409)
At 31 May 2025	**32,764**	**205,516**	**3,585**	**11,108**	**252,973**
Amortisation and impairment					
At 31 May 2023	16,961	122,212	2,130	6,139	147,442
Amortisation charges	3,014	27,951	443	1,702	33,110
Impairment charges	–	15,502	–	1,428	16,930
Disposals	–	(490)	–	–	(490)
Exchange rate movement	–	(109)	(1)	–	(110)
At 31 May 2024	19,975	165,066	2,572	9,269	196,882
Amortisation charges	3,577	16,100	472	–	20,149
Disposals	–	(5,769)	–	–	(5,769)
Exchange rate movement	–	(257)	(3)	–	(260)
At 31 May 2025	**23,552**	**175,140**	**3,041**	**9,269**	**211,002**
Net book value at 31 May 2025	**9,212**	**30,376**	**544**	**1,839**	**41,971**
Net book value at 31 May 2024	7,765	23,442	740	3,755	35,702

Amortisation charges for other intangible assets that relate to game technology, game developments and third-party software are expensed within research and development expenses. Amortisation charges for IP licences are typically charged to cost of sales, which reflects the IP licence royalties which the minimum guarantees relate to.

Accumulated cost of £5.84 million and accumulated amortisation of £5.77 million have been disposed of in respect to *Stranded: Alien Dawn* intangible assets included within game developments as a result of the sale of the *Stranded: Alien Dawn* publishing rights on 1 April 2025 (note 7).

During FY25, commercial discussions with an IP partner resulted in the voluntary termination of a contract for a future game before full development started, which resulted in the disposal of £1.92 million within IP licences.

The recoverable amount of each of the assets at 31 May 2025 is determined from the value in use. The key assumption in calculating the value in use was the expected future cashflows. A five-year bottom-up forecast for FY26 to FY30 inclusive has been created as a basis of the expected future cashflows, with a pre-tax discount rate of 10% (31 May 2024: 10%) being applied to the future cashflows. The Directors have assessed the sensitivity of the impairment test to incorporate reasonable possible changes in the key assumptions and noted that no material impairment exists in any cases. Climate change is not expected to have a material impact on future cashflows. No impairment charges were required as a result of the impairment tests at 31 May 2025 (31 May 2024: £16.9 million).

12. PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings £'000	Computer equipment £'000	Leasehold improvements £'000	Total £'000
Cost				
At 31 May 2023	879	8,037	5,447	14,363
Additions	42	862	56	960
Disposals	-	(19)	-	(19)
Exchange rate movement	(2)	(8)	(2)	(12)
At 31 May 2024	919	8,872	5,501	15,292
Additions	2	328	11	341
Exchange rate movement	(3)	(18)	(7)	(28)
At 31 May 2025	**918**	**9,182**	**5,505**	**15,605**
Depreciation				
At 31 May 2023	841	6,086	1,740	8,667
Charge for the year	38	1,526	346	1,910
Disposals	-	(18)	-	(18)
Exchange rate movement	-	(4)	(2)	(6)
At 31 May 2024	879	7,590	2,084	10,553
Charge for the year	11	896	350	1,257
Exchange rate movement	(1)	(10)	(4)	(15)
At 31 May 2025	**889**	**8,476**	**2,430**	**11,795**
Net book value at 31 May 2025	**29**	**706**	**3,075**	**3,810**
Net book value at 31 May 2024	40	1,282	3,417	4,739

Depreciation charges were apportioned to the consolidated income statement as follows:

	12 months to 31 May 2025 £'000	12 months to 31 May 2024 £'000
Research and development expenses	**862**	1,502
Administration expenses	**395**	408
Total	**1,257**	1,910

13. LEASES

	Right-of-use-asset £'000
Cost	
At 31 May 2023	24,356
Additions	3,709
Exchange rate movement	(39)
At 31 May 2024	28,026
Reassessment	(96)
Exchange rate movement	(44)
At 31 May 2025	**27,886**
Depreciation	
At 31 May 2023	6,496
Charge for the year	1,872
Exchange rate movement	(3)
At 31 May 2024	8,365
Charge for the year	2,029
Reassessment	(47)
Exchange rate movement	(9)
At 31 May 2025	**10,338**
Net book value at 31 May 2025	**17,548**
Net book value at 31 May 2024	19,661

Right-of-use assets relate to the Group's leases over its studio headquarters in Cambridge and a small studio occupied by Complex Games in Winnipeg, Canada.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 MAY 2025

13. LEASES CONTINUED
A net reassessment of £49k in the right-of-use assets and lease liabilities during the year relates to a reduction in rent payable on the Complex Games studio in Winnipeg, Canada, outweighing a change in the invoicing schedule on the studio in Cambridge. There was no change in the underlying rent payable on the studio in Cambridge.

Depreciation charges are expensed within administrative expenses in the consolidated income statement.

Set out below are the carrying amounts of lease liabilities (included under current and non-current liabilities in the consolidated statement of financial position) and the movements during the year:

	2025 £'000	2024 £'000
At 1 June	21,283	19,278
Reassessment	(49)	3,709
Accretion of interest	1,032	844
Lease payments	(2,758)	(2,509)
Exchange rate movement	(41)	(39)
At 31 May	**19,467**	**21,283**
Current	1,823	1,748
Non-current	17,644	19,535

The table below sets out the maturity profile of the contractual undiscounted payments at the year end:

	2025 £'000	2024 £'000
In not more than three months	686	688
In more than three months but less than one year	2,068	2,098
In more than one year but less than five years	10,856	11,147
In more than five years	10,459	13,073
Total	**24,069**	**27,006**

The discount rates applied to the leases range between 5.00% and 5.25%.

14. TRADE AND OTHER RECEIVABLES
CURRENT ASSETS

	31 May 2025 £'000	31 May 2024 £'000
Trade receivables	5,753	10,136
Contingent consideration (note 28)	496	1,639
Derivative financial instruments	357	84
Financial assets (note 24)	**6,606**	**11,859**
Prepayments and other debtors	3,942	1,717
Receivable from R&D expenditure credits	1,506	–
Social security and other taxes	236	14
Total trade and other receivables	**12,290**	**13,590**

NON-CURRENT ASSETS

	31 May 2025 £'000	31 May 2024 £'000
Contingent consideration (note 28)	1,105	–

The net carrying value of trade and other receivables is considered a reasonable approximation of fair value. No receivables are past their due date and the majority of receivables are balances due from third-party distributors. The year-on-year decrease primarily relates to a reduction in trade receivables as a result of lower revenue generated around the year end in FY25 versus FY24 following launch of *Planet Zoo: Console Edition* in March 2024 (FY24).

Receivable from R&D expenditure credits of £1.35 million were presented within current tax assets (note 19) as at 31 May 2024.

15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included the following balances by currency:

	31 May 2025 £'000	31 May 2024 £'000
Great British Pounds (GBP)	**30,940**	13,352
US Dollars (USD)	**8,561**	11,073
Euros (EUR)	**1,964**	2,994
Canadian Dollars (CAD)	**1,037**	2,104
Total cash and cash equivalents	**42,502**	29,523

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

16. TRADE AND OTHER PAYABLES

CURRENT LIABILITIES

	31 May 2025 £'000	31 May 2024 £'000
Trade payables	**4,333**	2,486
Accruals and other payables	**4,669**	7,262
Financial liabilities (note 24)	**9,002**	9,748
Accruals and other payables	**124**	113
Social security and other taxes	**1,292**	1,235
Total trade and other payables	**10,418**	11,096

NON-CURRENT LIABILITIES

	31 May 2025 £'000	31 May 2024 £'000
Other payables	**635**	3,101

The carrying values of trade and other payables are considered to be a reasonable approximation of fair value. The year-on-year decrease primarily relates to lower platform commission payables as a result of lower revenue generated around the year end in FY25 versus FY24 following launch of *Planet Zoo: Console Edition* in March 2024 (FY24).

Other payables within non-current liabilities are minimum guarantees payable that are due to IP licence holders. The payment terms range between one and three years.

17. DEFERRED REVENUE

Set out below are the carrying amounts of deferred revenue (included under current and non-current liabilities in the Group and Company statement of financial position) and the movements during the year:

	2025 £'000	2024 £'000
At 1 June	**4,607**	4,518
Revenue recognised from opening balance	**(3,687)**	(3,390)
Deferred during the year	**1,236**	3,479
Reclassified to deferred income from R&D expenditure credits (note 18)	**(670)**	–
At 31 May	**1,486**	4,607

The carrying values of deferred revenue are considered to be a reasonable approximation of fair value.

Deferred revenue at the year end comprises:

	31 May 2025 £'000	31 May 2024 £'000
Elite Dangerous virtual currency	**1,236**	860
Physical discs still within the distribution channel	**250**	663
Pre-orders of content not yet released	**–**	1,503
Subscription deals	**–**	911
Research and Development Expenditure Credit (note 18)	**–**	670
Total deferred revenue	**1,486**	4,607

Revenue recognised during the year from the opening balance of deferred revenue is as follows:

	12 months to 31 May 2025 £'000	12 months to 31 May 2024 £'000
Elite Dangerous virtual currency	**860**	156
Physical discs still within the distribution channel	**413**	957
Pre-orders of content not yet released	**1,503**	–
Subscription deals	**911**	1,990
Research and Development Expenditure Credit (note 18)	**–**	287
Total deferred revenue recognised	**3,687**	3,390

17. DEFERRED REVENUE CONTINUED

Revenue deferred during the year is as follows:

	12 months to 31 May 2025 £'000	12 months to 31 May 2024 £'000
Elite Dangerous virtual currency	**1,236**	220
Physical discs still within the distribution channel	**–**	332
Pre-orders of content not yet released	**–**	1,503
Subscription deals	**–**	911
Research and Development Expenditure Credit (note 18)	**–**	513
Total revenue deferred	**1,236**	3,479

18. DEFERRED INCOME FROM R&D EXPENDITURE CREDITS

The Group received R&D expenditure credits during the year amounting to £1.5 million (FY24: £1.4 million), relating to the Research and Development Expenditure Credit (RDEC) and the Manitoba Interactive Digital Media Tax Credit (MIDMTC).

During the year, the Group recognised R&D expenditure credits of £nil in the consolidated income statement (FY24: £1.04 million). These credits are recognised in line with the amortisation profile of the related game intangible assets and are presented as a reduction in research and development expenses (note 6). R&D expenditure credits claimed during the year only include costs that relate to intangible assets that will be amortised in future reporting periods.

Set out below are the carrying amounts of R&D expenditure credits (included under current and non-current liabilities in the consolidated statement of financial position):

	31 May 2025 £'000	31 May 2024 £'000
Research and Development Expenditure Credit	**1,444**	–
Manitoba Interactive Digital Media Tax Credit	**715**	–
Total deferred income from R&D expenditure credits	**2,159**	–
Current	**955**	–
Non-current	**1,204**	–

Deferred income from R&D expenditure credits of £670k were presented within deferred revenue (note 17) as at 31 May 2024.

19. CURRENT TAX ASSETS

Current tax assets in the consolidated statement of financial position are as follows:

	31 May 2025 £'000	31 May 2024 £'000
Corporation tax receivable - UK	**4,928**	7,216

All current tax assets are expected to be received within the next financial year.

20. PROVISIONS

	Dilapidations £'000	Restructuring £'000	Total £'000
At 31 May 2023	71	–	71
Provided for in the year	14	1,405	1,419
Provision used during the year	–	(1,405)	(1,405)
At 31 May 2024	85	–	85
Provided for in the year	15	–	15
At 31 May 2025	**100**	**–**	**100**

The dilapidations provision is based on the estimated costs of work to be performed to bring the buildings back to a state of repair and condition similar to the start of the lease.

The restructuring provision relates to costs provided for in respect to restructuring undertaken during FY24.

21. CURRENT TAX LIABILITIES

Current tax liabilities in the consolidated statement of financial position are as follows:

	31 May 2025 £'000	31 May 2024 £'000
Corporation tax payable - Canada	**276**	–

All current tax liabilities are expected to be settled within the next financial year.

22. DEFERRED TAX ASSETS AND LIABILITIES

	Consolidated statement of financial position		Consolidated income statement		Consolidated statement of changes in equity	
	31 May 2025 £'000	31 May 2024 £'000	**12 months to 31 May 2025 £'000**	12 months to 31 May 2024 £'000	**12 months to 31 May 2025 £'000**	12 months to 31 May 2024 £'000
Short-term temporary differences	**96**	92	**(3)**	7	-	-
Intangible and tangible fixed assets	**(3,466)**	(3,863)	**(375)**	1,547	-	-
Potential future share option exercises	**405**	6	**(399)**	655	-	174
Research and Development Expenditure Credit	**-**	358	**358**	(175)	-	-
Losses available for offsetting against future taxable income	**1,975**	3,017	**1,041**	(2,225)	-	-
Deferred tax expense/(benefit)			**622**	(191)	-	174
Net deferred tax liabilities	**(990)**	(390)				
Reconciliation in the consolidated statement of financial position:						
Deferred tax assets	**2,476**	3,473				
Deferred tax liabilities	**(3,466)**	(3,863)				
Net deferred tax liabilities	**(990)**	(390)				

The corporation tax rate has remained at 25% since 1 April 2023; therefore, at 31 May 2025, deferred taxes have been measured using the tax rate at the date that the deferred tax asset or liability unwinds of 25% (31 May 2024: 25%).

On 31 May 2025, the £3.5 million deferred tax liability recognised in respect of intangible and tangible fixed assets relates to £2.5 million in Frontier Developments plc and £1.0 million in Complex Games Inc.

The Group has elected into the Research and Development Expenditure Credit (RDEC) scheme. The Research and Development (R&D) tax credit in FY24 and FY25 is recognised in research and development expenses. The total RDEC claim during FY25 is £791k (FY24: £764k) and is recognised in the consolidated income statement in line with the amortisation profile of the related intangible assets. The quantum of the final FY24 RDEC claim decreased from £769k to £744k after preparing and submitting the final UK corporation tax return. The deferred tax asset in respect of the notional 25% tax charge on the RDEC claim reduced to £nil at 31 May 2025 (31 May 2024: £0.4 million) as it was utilised against taxable profits during the year.

Accumulated Group tax losses at 31 May 2025 are provisionally estimated to be £114.3 million (31 May 2024: £121.6 million). The actual accumulated Group tax losses at 31 May 2024 increased to £122.0 million after preparing and submitting the final FY24 corporation tax returns. The increase of £0.4 million is primarily due to the correction of intangible assets disposal costs adjustment in the return.

The accumulated UK tax losses movement of £7.7 million during FY25 relates to the utilisation of prior year tax losses against the taxable profit generated in FY25.

Out of the £114.3 million of tax losses carried forward at 31 May 2025 (31 May 2024: £121.6 million), £7.9 million of tax losses was recognised as a deferred tax asset within Frontier Developments plc (31 May 2024: £12.1 million). In line with FY24, recognition was limited to the extent of available taxable temporary differences, thereby offsetting the deferred tax liability of the Parent Company to £nil. The £7.9 million recognised provides sufficient losses to cover forecast taxable profits for the year ended 31 May 2026 and deferred tax liabilities unwinding in respect of intangible and tangible assets.

Although the Group generated taxable profits during FY25 and utilised a portion of its brought forward tax losses, the assessment of future taxable profits past 31 May 2026 remains subject to significant uncertainty. This is primarily due to the complexity of the Group's tax arrangements, particularly in relation to income streams benefiting from Video Games Tax Relief (VGTR) and Patent Box regimes. As a result, no additional deferred tax assets have been recognised in respect of accumulated losses. It is expected that VGTR and Patent Box deductions will continue to be available in future periods, which will materially affect the Group's taxable position and may limit the extent to which brought forward losses can be utilised.

The Group's total unrecognised tax losses at 31 May 2025 were £106.4 million (31 May 2024: £109.5 million).

The losses do not have an expiry date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MAY 2025

23. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

SHARE CAPITAL

The movement in the Group and Company's issued share capital during the year was as follows:

	Number of shares	Nominal value £
At 31 May 2023	39,478,535	197,393
Shares issued on option exercises	-	-
At 31 May 2024	39,478,535	197,393
Shares issued on option exercises	-	-
At 31 May 2025	**39,478,535**	**197,393**

No Ordinary Shares were issued during the year.

Refer to note 26 for detailed information of the exercise of share options.

SHARE PREMIUM

The movement in the Group and Company's share premium during the year was as follows:

	£'000
At 31 May 2023	36,547
Shares issued on option exercises	-
At 31 May 2024	36,547
Shares issued on option exercises	-
At 31 May 2025	**36,547**

TREASURY SHARES

The Group holds shares in Frontier Developments plc within its Employee Benefit Trust (EBT) to meet obligations arising from its share option schemes. For accounting purposes, these shares are classified as treasury shares.

Further details in respect to the EBT are provided in note 26.

The movement in the Group's treasury shares during the year was as follows:

	Number of shares
At 31 May 2023	880,262
Release of treasury shares on option exercises	(18,252)
At 31 May 2024	862,010
Release of treasury shares on option exercises	(64,795)
At 31 May 2025	**797,215**

24. FINANCIAL ASSETS AND LIABILITIES

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of financial assets and liabilities:

	31 May 2025 £'000	31 May 2024 £'000
Financial assets at amortised cost		
Trade and other receivables (note 14)	**5,753**	10,136
Cash and cash equivalents (note 15)	**42,502**	29,523
Total	**48,255**	39,659

	31 May 2025 £'000	31 May 2024 £'000
Financial liabilities at amortised cost		
Trade and other payables (note 16)	**9,637**	12,849
Lease liabilities (note 13)	**19,467**	21,283
Total	**29,104**	34,132

The Group's financial instruments measured at fair value are summarised below:

	31 May 2025 £'000	31 May 2024 £'000
Financial assets at FVTPL		
Forward foreign exchange contracts	**357**	84
Contingent consideration (note 28)	**1,601**	1,639

24. FINANCIAL ASSETS AND LIABILITIES CONTINUED

The Group used forward foreign exchange contracts to mitigate exchange rate exposure arising from forecast sales in US Dollars. The forward contracts are considered by management to be part of economic hedge arrangements but have not been formally designated.

All forward contracts are held at fair value through profit and loss by reference to the exchange rate at the reporting date.

The Group's foreign currency forward contracts have been fair valued using observable forward exchange rates corresponding to the maturity of the contract. The observable forward exchange rates are provided by a third party. They are defined as level 2 within the fair value hierarchy. There were no transfers between levels in FY25 or FY24.

25. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

The results and financial position of all the subsidiaries are included n the consolidated financial statements. Details of the Company's direct and indirect subsidiaries as at 31 May 2025 are set out below:

Name of company	Country of incorporation	Proportion of Ordinary Shares held	Nature of business	Registered office
Frontier Developments Inc.	USA	100%	Publisher support services	500 N. Rainbow Blvd, Suite 300, Las Vegas NV 89107, USA
Frontier Games Limited	UK	100%	Game development services	26 Science Park, Milton Road, Cambridge CB4 0FP, UK
Complex Games Inc.	Canada	100%	Game development services	300 -161 Portage Avenue E., Winnipeg, MB, R3B 2L6, Canada

26. SHARE OPTIONS

The Company operates a range of share incentive schemes under which options may be granted to employees, including Executive Directors, to subscribe for Ordinary Shares in the Company.

The Company operates an HMRC-approved Company Share Option Plan (from January 2014), an unapproved scheme (from January 2014), an HMRC-approved Sharesave scheme (from October 2017 onwards) and a Long Term Incentive Plan (from November 2017 onwards). All share option grants have a contractual term of ten years. The unapproved options carry similar conditions to the main Company Share Option Plan with a vesting period of three years, except for one tranche issued on 15 September 2014 that had a shorter vesting period of one year. The Long Term Incentive Plan has a vesting period ranging between one and three years and typically has performance conditions attached to the options.

Date of grant	Scheme or warrant type	Period when exercisable	Price in pence	**31 May 2025 Number outstanding**	31 May 2024 Number outstanding
15 September 2014	Company Share Option Plan	2017–2024	257.5	–	60,480
15 September 2014	Unapproved options	2017–2024	257.5	–	40,900
15 September 2014	Unapproved options	2015–2024	257.5	–	288,350
10 March 2015	Company Share Option Plan	2018–2025	230.0	–	28,500
10 March 2015	Unapproved options	2018–2025	230.0	–	4,000
21 September 2015	Company Share Option Plan	2018–2025	193.5	**15,400**	19,600
21 September 2015	Unapproved options	2018–2025	193.5	**11,000**	11,000
8 September 2016	Company Share Option Plan	2019–2026	174.0	**12,300**	12,300
8 September 2016	Unapproved options	2019–2026	174.0	**13,750**	23,750
9 February 2017	Company Share Option Plan	2020–2027	278.0	**7,000**	8,150
31 May 2017	Unapproved options	2020–2027	406.0	**7,389**	7,389
31 May 2017	Unapproved options	2020–2027	250.0	**100,000**	100,000
10 November 2017	Company Share Option Plan	2020–2027	1,094.0	**22,944**	26,330
10 November 2017	Long Term Incentive Plan	2020–2027	0.5	**40,688**	43,119
17 October 2018	Company Share Option Plan	2021–2028	1,130.0	**24,969**	31,286
17 October 2018	Long Term Incentive Plan	2021–2028	0.5	**81,478**	85,298
6 February 2019	Company Share Option Plan	2022–2029	886.0	**3,386**	3,386
6 February 2019	Long Term Incentive Plan	2022–2029	0.5	**558**	558
4 October 2019	Company Share Option Plan	2022–2029	1,002.0	**24,531**	29,939
4 October 2019	Long Term Incentive Plan	2022–2029	0.5	**161,881**	167,795
8 October 2020	Sharesave	2023–2024	2,040.0	–	1,444
9 October 2020	Company Share Option Plan	2023–2030	2,455.0	**2,442**	2,442
9 October 2020	Long Term Incentive Plan	2023–2030	0.5	**18,494**	41,461
27 November 2020	Long Term Incentive Plan	2023–2030	0.5	**124**	779
25 March 2021	Sharesave	2024	1,972.0	–	1,368

26. SHARE OPTIONS CONTINUED

Date of grant	Scheme or warrant type	Period when exercisable	Price in pence	31 May 2025 Number outstanding	31 May 2024 Number outstanding
8 October 2021	Sharesave	2024–2025	2,124.0	–	759
15 October 2021	Company Share Option Plan	2024–2031	2,540.0	2,362	2,362
15 October 2021	Long Term Incentive Plan	2024–2031	0.5	49,030	87,676
17 March 2022	Sharesave	2025	972.0	1,406	4,033
17 October 2022	Sharesave	2025–2026	1,044.0	1,979	2,872
4 November 2022	Company Share Option Plan	2025–2032	1,272.0	88,923	98,090
4 November 2022	Long Term Incentive Plan	2023–2032	0.5	304,226	321,644
4 November 2022	Unapproved options	2025–2032	1,272.0	24,462	35,182
17 February 2023	Long Term Incentive Plan	2024–2033	0.5	9,546	7,955
17 March 2023	Sharesave	2026	354.0	358,704	454,829
22 May 2023	Company Share Option Plan	2026–2033	582.0	60,821	64,782
3 July 2023	Long Term Incentive Plan	2026–2033	0.5	5,000	5,000
26 April 2024	Long Term Incentive Plan	2026–2034	0.5	283,500	325,000
26 April 2024	Unapproved options	2026–2034	206.0	24,500	28,000
30 April 2024	Company Share Option Plan	2027–2034	209.0	497,000	537,000
30 April 2024	Unapproved options	2027–2034	209.0	22,000	28,000
21 February 2025	Company Share Option Plan	2028–2035	205.0	517,000	–
21 February 2025	Unapproved options	2028–2035	205.0	28,000	–
21 February 2025	Long Term Incentive Plan	2028–2035	0.5	538,000	–
Total number of share options				**3,364,793**	3,042,808

Movements in the number of share options outstanding:

	31 May 2025 Number	31 May 2024 Number
Opening balance	**3,042,808**	2,659,416
Granted	**1,087,000**	928,500
Exercised	**(64,795)**	(18,252)
Lapsed	**(700,220)**	(526,856)
Closing balance	**3,364,793**	3,042,808
Weighted average exercise price on closing balance (p)	**198.7**	251.8

The share-based compensation charge in the consolidated income statement in FY25 was £2.4 million (FY24: £2.8 million).

Under the rules of the Company Share Option Plan (approved and unapproved), typically options are not exercisable until three years from the date of the grant. There are no performance conditions attaching to the options and the only vesting condition is continued service in the Group.

Under the rules of the Long Term Incentive Plan, options are not exercisable until at least one year from the date of the grant (typically three years). Typically, there are performance conditions attached to the options related to both profit and share price (TSR) performance during the vesting period and continued service in the Group is required in order to vest.

FAIR VALUE ASSUMPTIONS OF SHARE-BASED PAYMENTS

The fair value of services received in return for share options is measured by reference to the fair value of share options granted. The estimate of fair value is measured using the Black-Scholes model or the Monte Carlo simulation. Details of the share options granted, together with the assumptions used in determining the fair value, are summarised below:

CSOP and unapproved options

	12 months to 31 May 2025			12 months to 31 May 2024		
	CSOP 3 June 2024	CSOP 21 February 2025	Unapproved 21 February 2025	Unapproved 26 April 2024	CSOP 30 April 2024	Unapproved 30 April 2024
Share price at date of grant (p)	**263.0**	**200.0**	**200.0**	208.5	228.5	228.5
Exercise price (p)	**263.0**	**205.0**	**205.0**	206.0	209.0	209.0
Expected time to expiry (years)	**6.50**	**6.50**	**6.50**	6.00	6.50	6.50
Risk-free interest rate (%)	**5.07**	**5.65**	**5.65**	5.15	5.18	5.18
Expected dividend yield on shares (%)	**–**	**–**	**–**	–	–	–
Expected volatility of share price (%)	**69.26**	**68.44**	**68.44**	68.30	68.55	68.55
Fair value of options granted (p)	**179.6**	**136.1**	**136.1**	137.6	158.9	158.9

26. SHARE OPTIONS CONTINUED

FAIR VALUE ASSUMPTIONS OF SHARE-BASED PAYMENTS CONTINUED

LTIP

	12 months to 31 May 2025			12 months to 31 May 2024	
	LTIP revenue 21 February 2025	**LTIP profit 21 February 2025**	**LTIP TSR 21 February 2025**	LTIP 3 July 2023	LTIP 26 April 2024
Share price at date of grant (p)	**200.0**	**200.0**	**200.0**	576.0	208.5
Exercise price (p)	**0.5**	**0.5**	**0.5**	0.5	0.5
Expected time to expiry (years)	**3.00**	**3.00**	**–**	3.00	2.00
Risk-free interest rate (%)	**5.65**	**5.65**	**–**	4.43	5.15
Expected dividend yield on shares (%)	**–**	**–**	**–**	–	–
Expected volatility of share price (%)	**68.44**	**68.44**	**–**	56.79	68.30
Fair value of options granted (p)	**199.6**	**199.6**	**139.0**	575.6	208.0

EMPLOYEE BENEFIT TRUST (EBT)

On 5 December 2014, the Company set up an EBT for the purposes of allowing employees to exercise their share options, including the choice of being able to do this on a cashless exercise basis. The exercise of options is approved by the Board at each Board meeting, outside of share dealing closed periods, under a letter of recommendation to the Trustees of the EBT. The fulfilment of the share option conversions, whether by issue of shares to the EBT or market purchases, is also made at the same time. The EBT is limited under ABI guidelines to holding not more than 10% of the Ordinary Share capital of the Group. The Trustees are appointed by Ocorian Limited, which administers the Trust. The number of share options exercised by employees in the year and fulfilled as part of these arrangements was 64,795 Ordinary Shares. The EBT had no other assets or liabilities at 31 May 2025 outside of its interest in 797,215 Ordinary Shares.

27. RELATED PARTY TRANSACTIONS

One shareholder previously received ongoing royalties or commission as a percentage of royalty sales for some of the Group's video games launched in prior periods.

Connected party	**Expense paid 12 months to 31 May 2025 £'000**	**Creditor balance 31 May 2025 £'000**	Expense paid 12 months to 31 May 2024 £'000	Creditor balance 31 May 2024 £'000
Chris Sawyer – royalties	**–**	**–**	252	–

REMUNERATION OF KEY MANAGEMENT PERSONNEL

The actual remuneration of the Directors, who are the key management personnel of the Group, is disclosed in the Remuneration Report. The contractual employee benefits are set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	12 months to 31 May 2025 £'000	12 months to 31 May 2024 £'000
Short-term employee benefits (including aggregate gains on the exercise of share options)	**1,205**	1,381
IFRS 2 share-based payment charge	**530**	690

Consultancy fees are paid to Tumbling Dice Ltd, a company in which David Walsh is a common director, amounting to £50k in FY25 (FY24: £50k). The amount outstanding at 31 May 2025 is £nil (31 May 2024: £nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MAY 2025

28. FINANCIAL INSTRUMENT RISKS

RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to various risks in relation to financial assets and liabilities, which are summarised by category in note 24. The main types of risks are credit risk, currency risk and liquidity risk.

The Group's risk management is coordinated in close cooperation with the Board of Directors.

The Group does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed to are described below.

CREDIT RISK

The Group's exposure is limited to the carrying amount of financial assets and cash and cash equivalents recognised at the reporting date, as summarised in note 24.

In order to minimise credit risk, the Group endeavours only to deal with counterparties which are demonstrably creditworthy. The Group deals with a low number of counterparties, which are all deemed to be quality counterparties.

The Group's management considers all financial assets, not impaired, for each reporting date to be of good credit quality, including those past due. The Board monitors the credit risk by reference to the date of receipt compared to the contractual terms.

The Group considers it has minimal credit risk for liquid funds and other short-term financial assets as cash is held with reputable UK, US and Canadian banks.

Set out below is the information about the credit risk exposure on the Group's trade and other receivables using a provision matrix:

	31 May 2025 Days past due						31 May 2024 Days past due					
	Current £'000	<30 days £'000	30–60 days £'000	61–90 days £'000	>91 days £'000	Total £'000	Current £'000	<30 days £'000	30–60 days £'000	61–90 days £'000	>91 days £'000	Total £'000
Expected credit loss rate	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	
Estimated total gross carrying amount at default	5,753	–	–	–	–	5,753	10,136	–	–	–	–	10,136
Expected credit loss	–	–	–	–	–	–	–	–	–	–	–	–

FOREIGN CURRENCY RISK

The Group's reporting currency is Sterling. Exposure to currency exchange rates arises where transactions are in a currency other than the functional currency of the entity, primarily US Dollars (USD), Euros (EUR) and Canadian Dollars (CAD).

The Group has entered into several forward contracts during the financial year in order to mitigate the risk of US currency movements. The closing fair value of the contracts has been disclosed within note 24 and accounted for at fair value through profit and loss.

The carrying amounts of the Group's Canadian Dollar, US Dollar and Euro-denominated monetary assets outside the functional currency of the entity at the reporting date are as follows:

	31 May 2025			31 May 2024		
	CAD £'000	USD £'000	EUR £'000	CAD £'000	USD £'000	EUR £'000
Trade and other receivables	–	6,238	702	–	8,510	1,088
Cash and cash equivalents	1,037	8,561	1,964	2,105	11,073	2,994
Trade and other payables	269	3,283	318	63	8,721	553

In addition, some of the Group's revenue and overhead transactions are completed in a foreign currency.

FOREIGN CURRENCY SENSITIVITY ANALYSIS

The following table details the Group's sensitivity to a 5% increase or decrease in the Sterling exchange rate against all relevant currencies, albeit the main exposures are to US Dollars, Euros and Canadian Dollars. An increase in Sterling would lead to a decrease in income and a decrease in equity.

	2025 £'000	2024 £'000
Effect of a 5% change in relevant exchange rate on:		
Consolidated income statement	2,472	2,315
Equity	770	1,057

28. FINANCIAL INSTRUMENT RISKS CONTINUED

LIQUIDITY RISK ANALYSIS

Liquidity risk is the risk arising from the Group not being able to meet its obligations as they fall due. The Group manages its liquidity needs by carefully monitoring forecast cash inflows and outflows due in day-to-day business. Net cash requirements determine headroom or any shortfalls over the medium term. This analysis shows if there is a need to use the revolving credit facility or seek external funding or the need to secure finance from its shareholder base.

The Group's financial liabilities have contractual maturities as summarised below:

	Current		Non-current	
	Within 6 months £'000	Between 6 and 12 months £'000	Between 1 and 5 years £'000	Later than 5 years £'000
At 31 May 2025				
Trade and other payables	**8,883**	**119**	**635**	**–**
Lease liabilities	**903**	**919**	**8,127**	**9,518**
At 31 May 2024				
Trade and other payables	8,160	1,588	3,101	–
Lease liabilities	867	893	7,965	11,558

FINANCIAL ASSETS USED FOR MANAGING LIQUIDITY RISK

Cashflows from trade and other receivables are contractually due within six months.

Cash is generally held in accounts with immediate notice. Where surplus cash deposits are identified these are placed in accounts with access terms of no more than three months.

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Current lease liabilities £'000	Non-current lease liabilities £'000	Total liabilities from financing activities £'000
At 31 May 2023	1,505	17,773	19,278
Cashflows	(1,505)	(1,004)	(2,509)
Additions	–	3,709	3,709
Other	1,748	(943)	805
At 31 May 2024	1,748	19,535	21,283
Cashflows	(1,748)	(1,010)	(2,758)
Reassessment	–	(49)	(49)
Other	1,823	(832)	991
At 31 May 2025	**1,823**	**17,644**	**19,467**

SALE OF *ROLLERCOASTER TYCOON 3* PUBLISHING RIGHTS

As disclosed in note 7, on 15 March 2024 (FY24), Frontier sold the game assets and associated publishing and development rights for *RollerCoaster Tycoon 3* (RCT3). Consideration for the sale of the RCT3 assets included US$3.0 million of contingent cash consideration. During the year, the contingent cash consideration was remeasured to fair value, resulting in an upward adjustment of £382k. This revision was driven by stronger-than-expected sales performance of RCT3, which led to an anticipated acceleration in the receipt of the contingent consideration. The remaining undiscounted contingent consideration due was US$2.48 million at 31 May 2025 (31 May 2024: US$2.93 million).

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items:

	Contingent Consideration £'000
At 31 May 2023	–
Gains recognised in other operating income	1,713
Cash received	(57)
Exchange rate movement	(17)
At 31 May 2024	1,639
Gains recognised in other operating income	382
Cash received	(405)
Exchange rate movement	(15)
At 31 May 2025	**1,601**

Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

	Fair value at				
Description	**31 May 2025 £'000**	31 May 2024 £'000	Unobservable inputs	Inputs	Relationship of observable inputs to fair value
Contingent consideration	**1,601**	1,639	Discount rate	6.85%	A change in the discount rate by 100 bps would increase/decrease the fair value by £30k
			Expected cash inflows	$2.48 million	If Atari decided to discontinue and no longer sell RCT3 the fair value would reduce to £nil

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 MAY 2025

28. FINANCIAL INSTRUMENT RISKS CONTINUED
SALE OF *ROLLERCOASTER TYCOON 3* PUBLISHING RIGHTS CONTINUED

Valuation processes

The Finance department of the Group includes a team that performs the valuation of contingent consideration required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO) and the Audit Committee (AC). Discussions of valuation processes and results are held between the CFO, AC and valuation team at least once every six months, in line with the Group's half yearly reporting periods.

The main level 3 inputs used by the Group are derived and evaluated as follows:

1. Discount rates are determined using a risk-free interest rate, which is defined as the Bank of England base rate plus inflation rate.
2. Contingent consideration expected cash inflows are estimated based on the terms of the sale of the publishing rights and the entity's knowledge of the business and how the current economic environment is likely to impact it.

Changes in level 3 fair values are analysed at the end of each reporting period during the half yearly valuation discussion between the CFO, AC and valuation team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

29. POST-BALANCE SHEET EVENT
On 8 July 2025, Frontier launched an on-market share buyback programme for up to a maximum aggregate consideration of £10 million to reduce the Company's share capital. As at 31 August 2025 1,187,544 shares have been purchased for an aggregate consideration of £4.4 million, representing an average price per share of 372p.

The share buyback is returning surplus capital to shareholders, improving return on equity and increasing earnings per share, while maintaining the financial headroom to invest in the Group's strategy to confidently deliver sustainable growth.

30. SUBSIDIARY AUDIT EXEMPTION
Frontier Games Limited (registered company number: 12553555) is exempt from the requirements relating to the audit of individual accounts for the year ended 31 May 2025 by virtue of Section 479A of the Companies Act 2006.

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2025
(REGISTERED COMPANY NO: 02892559)

	Notes	31 May 2025 £'000	31 May 2024 £'000
Non-current assets			
Investment in subsidiaries	33	**9,897**	9,897
Other intangible assets	34	**38,209**	34,180
Property, plant and equipment	35	**3,578**	4,555
Right-of-use asset	36	**17,167**	18,984
Trade and other receivables	37	**1,105**	–
Total non-current assets		**69,956**	67,616
Current assets			
Trade and other receivables	37	**12,080**	14,626
Current tax assets	41	**–**	1,067
Cash and cash equivalents	38	**41,750**	29,128
Total current assets		**53,830**	44,821
Total assets		**123,786**	112,437
Current liabilities			
Trade and other payables	39	**(24,599)**	(19,470)
Lease liability	36	**(1,704)**	(1,612)
Deferred revenue	17	**(1,486)**	(4,351)
Deferred income from R&D expenditure credits	40	**(669)**	–
Current tax liabilities	42	**(326)**	–
Total current liabilities		**(28,784)**	(25,433)
Net current assets		**25,046**	19,388
Non-current liabilities			
Provisions	20	**(100)**	(85)
Lease liability	36	**(17,272)**	(18,895)
Other payables	39	**(635)**	(3,101)
Deferred revenue	17	**–**	(256)
Deferred income from R&D expenditure credits	40	**(775)**	–
Total non-current liabilities		**(18,782)**	(22,337)
Total liabilities		**(47,566)**	(47,770)
Net assets		**76,220**	64,667
Equity			
Share capital	23	**197**	197
Share premium account	23	**36,547**	36,547
Equity reserve		**(12,955)**	(13,283)
Retained earnings		**52,431**	41,206
Total equity		**76,220**	64,667

The Company has taken the exemption under Section 408 of the Companies Act 2006 not to present a full income statement, but the profit for the Company was £9,067k (FY24: a loss of £28,691k).

These financial statements were approved by the Directors on 9 September 2025 and signed on their behalf by:

ALEX BEVIS
DIRECTOR

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2025

	Notes	Share capital £'000	Share premium account £'000	Equity reserve £'000	Retained earnings £'000	Total equity £'000
At 31 May 2023		197	36,547	(14,553)	68,563	90,754
Loss for the year		–	–	–	(28,691)	(28,691)
Total comprehensive loss for the year		–	–	–	(28,691)	(28,691)
Share-based payment charges	26	–	–	2,778	–	2,778
Share-based payment transfer relating to option exercises and lapses		–	–	(1,508)	1,508	–
Deferred tax movements posted directly to reserves	43	–	–	–	(174)	(174)
Transactions with owners		–	–	1,270	1,334	2,604
At 31 May 2024		197	36,547	(13,283)	41,206	64,667
Profit for the year		–	–	–	9,067	9,067
Total comprehensive income for the year		–	–	–	9,067	9,067
Share-based payment charges	26	–	–	2,368	–	2,368
Share-based payment transfer relating to option exercises and lapses		–	–	(2,158)	2,158	–
Employee Benefit Trust cash inflows from option exercises		–	–	118	–	118
Transactions with owners		–	–	328	2,158	2,486
At 31 May 2025		**197**	**36,547**	**(12,955)**	**52,431**	**76,220**

31. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ('FRS 101') and the Companies Act 2006, transitioning from being prepared in the previous period in accordance with UK-adopted International Accounting Standards (IASs) in conformity with the requirements of the Companies Act 2006 and in accordance with UK-adopted IASs. The effect of the transition has been assessed and has no impact on the presentation or valuation of the opening balance sheet and associated notes.

The Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its individual statement of comprehensive income in these financial statements. The Company's overall result for the year is given in the statement of changes in equity.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IAS 7 – Statement of Cash Flows.

The financial information has been prepared on a going concern basis 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 Company. All values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

Please refer to the Group financial statements for additional information concerning the basis of preparation. For references in the Company financial statements to notes numbered earlier than note 31, refer directly to specific notes in the Group financial statements.

INVESTMENT IN SUBSIDIARIES

Cost is determined as the fair value of consideration transferred at the date of acquisition, including any directly attributable transaction costs. Subsequent to initial recognition, the investments are carried at cost less any accumulated impairment losses.

Dividends received from subsidiaries are recognised in the income statement when the right to receive the dividend is established.

The carrying amount of investments is reviewed at each reporting date to assess whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated and an impairment loss is recognised to the extent that the carrying amount exceeds the recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use.

INTERCOMPANY ACCOUNTS

Amounts due from or to Group undertakings are recognised initially at fair value and subsequently measured at amortised cost, less any impairment where applicable.

Income and expenses arising from intercompany transactions are recognised in the period in which they are incurred.

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 from disclosing transactions with wholly owned subsidiaries of the Group, on the basis that consolidated financial statements are publicly available for the Group and prepared in accordance with IFRS.

OTHER SIGNIFICANT ACCOUNTING POLICIES

The Company applies consistent accounting policies to those applied by the Group. Please refer to the Group financial statements for disclosure of other relevant accounting policies.

AUDITOR STATUTORY DISCLOSURE

The audit fee for the Company is outlined in note 6 of the Group financial statements.

32. STAFF COSTS

Aggregate payroll costs of persons employed by the Company (including Directors) during the year were as follows:

	12 months to 31 May 2025 £'000	12 months to 31 May 2024 £'000
Wages and salaries	**32,533**	36,462
Social security costs	**3,470**	3,894
Pension costs	**3,371**	3,849
Share-based compensation (note 26)	**2,368**	2,778
Restructuring costs	**–**	1,287
Total staff costs	**41,742**	48,270

The average number of persons employed by the Company (including Directors) during the year was as follows:

	12 months to 31 May 2025	12 months to 31 May 2024 £'000
Research and development	**548**	673
Sales, marketing and administrative	**98**	127
Total average number of employees	**646**	800

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 MAY 2025

33. INVESTMENT IN SUBSIDIARIES

	2025 £'000	2024 £'000
At 1 June	**9,897**	10,873
Profit-share earn-out in respect to acquisition of Complex Games Inc. paid in year	**–**	372
Deferred cash consideration in respect to acquisition of Complex Games Inc. paid in year	**–**	1,530
Paid-up capital distribution in respect to Complex Games Inc.	**–**	(2,878)
At 31 May	**9,897**	9,897

Details of the Company's direct and indirect subsidiaries at 31 May 2025 are set out in note 25 of the Group financial statements.

34. OTHER INTANGIBLE ASSETS

	Game technology £'000	Game developments £'000	Third-party software £'000	IP licences £'000	Total £'000
Cost					
At 31 May 2023	23,182	162,687	2,819	11,185	199,873
Additions	4,558	20,766	436	1,839	27,599
Disposals	-	(490)	-	-	(490)
At 31 May 2024	27,740	182,963	3,255	13,024	226,982
Additions	5,024	20,430	276	-	25,730
Disposals	-	(5,841)	-	(1,916)	(7,757)
At 31 May 2025	**32,764**	**197,552**	**3,531**	**11,108**	**244,955**
Amortisation and impairment					
At 31 May 2023	16,961	119,333	2,072	6,139	144,505
Amortisation charges	3,014	26,698	443	1,702	31,857
Impairment charges	-	15,502	-	1,428	16,930
Disposals	-	(490)	-	-	(490)
At 31 May 2024	19,975	161,043	2,515	9,269	192,802
Amortisation charges	3,577	15,664	472	-	19,713
Disposals	-	(5,769)	-	-	(5,769)
At 31 May 2025	**23,552**	**170,938**	**2,987**	**9,269**	**206,746**
Net book value at 31 May 2025	**9,212**	**26,614**	**544**	**1,839**	**38,209**
Net book value at 31 May 2024	7,765	21,920	740	3,755	34,180

Accumulated cost of £5.84 million and accumulated amortisation of £5.77 million have been disposed of in respect to *Stranded: Alien Dawn* intangible assets included within game developments as a result of the sale of the *Stranded: Alien Dawn* publishing rights on 1 April 2025 (note 7).

During FY25, commercial discussions with an IP partner resulted in the voluntary termination of a contract for a future game before full development started, which resulted in the disposal of £1.92 million within IP licences.

35. PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings £'000	Computer equipment £'000	Leasehold improvements £'000	Total £'000
Cost				
At 31 May 2023	868	7,945	5,398	14,211
Additions	-	712	1	713
Disposals	-	(19)	-	(19)
At 31 May 2024	868	8,638	5,399	14,905
Additions	1	170	1	172
At 31 May 2025	**869**	**8,808**	**5,400**	**15,077**
Depreciation				
At 31 May 2023	830	5,995	1,691	8,516
Charge for the year	33	1,480	339	1,852
Disposals	-	(18)	-	(18)
At 31 May 2024	863	7,457	2,030	10,350
Charge for the year	3	807	339	1,149
At 31 May 2025	**866**	**8,264**	**2,369**	**11,499**
Net book value at 31 May 2025	**3**	**544**	**3,031**	**3,578**
Net book value at 31 May 2024	5	1,181	3,369	4,555

36. LEASES

	Right-of-use asset £'000
Cost	
At 31 May 2023	24,356
Additions	2,885
At 31 May 2024	27,241
Reassessment	83
At 31 May 2025	**27,324**
Depreciation	
At 31 May 2023	6,496
Charge for the year	1,761
At 31 May 2024	8,257
Charge for the year	1,900
At 31 May 2025	**10,157**
Net book value at 31 May 2025	**17,167**
Net book value at 31 May 2024	18,984

The right-of-use asset relates to the Company's lease over its studio headquarters in Cambridge.

A reassessment of £83k relates to an increase in the right-of-use asset and lease liability during the year as a result of a change in the invoicing schedule on the studio in Cambridge. There was no change in the underlying rent payable.

Depreciation charges are expensed within administrative expenses in the income statement.

Set out below are the carrying amounts of the lease liability (included under current and non-current liabilities in the statement of financial position) and the movements during the year:

	2025 £'000	2024 £'000
At 1 June	**20,507**	19,278
Reassessment	**83**	2,885
Accretion of interest	**1,001**	814
Lease payments	**(2,615)**	(2,470)
At 31 May	**18,976**	20,507
Current	**1,704**	1,612
Non-current	**17,272**	18,895

The table below sets out the maturity profile of the contractual undiscounted payments at the year end:

	31 May 2025 £'000	31 May 2024 £'000
In not more than three months	**654**	654
In more than three months but less than one year	**1,961**	1,961
In more than one year but less than five years	**10,459**	10,459
In more than five years	**10,459**	13,073
Total	**23,533**	26,147

The discount rate applied to the lease is 5.25%.

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 MAY 2025

37. TRADE AND OTHER RECEIVABLES
CURRENT ASSETS

	31 May 2025 £'000	31 May 2024 £'000
Trade receivables	5,755	10,136
Contingent consideration (note 28)	496	1,639
Intercompany receivables	715	1,124
Derivative financial instruments	357	84
Financial assets (note 44)	7,323	12,983
Prepayments and other debtors	3,761	1,643
Receivable from R&D expenditure credits	791	–
Social security and other taxes	205	–
Total trade and other receivables	12,080	14,626

NON-CURRENT ASSETS

	31 May 2025 £'000	31 May 2024 £'000
Contingent consideration (note 28)	1,105	–

Intercompany receivables are trading balances, non-interest bearing and payable on demand.

Receivable from R&D expenditure credits of £769k were presented within current tax assets (note 19) as at 31 May 2024.

38. CASH AND CASH EQUIVALENTS

	31 May 2025 £'000	31 May 2024 £'000
Great British Pounds (GBP)	30,941	13,352
US Dollars (USD)	8,154	10,895
Euros (EUR)	1,964	2,994
Canadian Dollars (CAD)	691	1,887
Total cash and cash equivalents	41,750	29,128

39. TRADE AND OTHER PAYABLES
CURRENT LIABILITIES

	31 May 2025 £'000	31 May 2024 £'000
Trade payables	4,277	2,449
Intercompany payables	14,566	8,507
Accruals and other payables	4,426	7,213
Financial liabilities (note 44)	23,269	18,169
Accruals and other payables	124	113
Other taxation and social security	1,206	1,188
Total trade and other payables	24,599	19,470

NON-CURRENT LIABILITIES

	31 May 2025 £'000	31 May 2024 £'000
Other payables	635	3,101

Intercompany payables are trading balances, non-interest bearing and payable on demand.

40. DEFERRED INCOME FROM R&D EXPENDITURE CREDITS
Set out below are the carrying amounts of R&D expenditure credits (included under current and non-current liabilities in the statement of financial position):

	31 May 2025 £'000	31 May 2024 £'000
Research and Development Expenditure Credit	1,444	–
Current	669	–
Non-current	775	–

Deferred income from R&D expenditure credits of £670k were presented within deferred revenue (note 17) as at 31 May 2024.

41. CURRENT TAX ASSETS

Current tax assets in the statement of financial position were as follows:

	31 May 2025 £'000	31 May 2024 £'000
Corporation tax receivable – UK	–	1,067

42. CURRENT TAX LIABILITIES

Current tax liabilities in the statement of financial position are as follows:

	31 May 2025 £'000	31 May 2024 £'000
Corporation tax payable – UK	326	–

All current tax liabilities are expected to be settled within the next financial year.

43. DEFERRED TAX ASSETS AND LIABILITIES

	Statement of financial position		Income statement		Statement of changes in equity	
	31 May 2025 £'000	31 May 2024 £'000	12 months to 31 May 2025 £'000	12 months to 31 May 2024 £'000	12 months to 31 May 2025 £'000	12 months to 31 May 2024 £'000
Short-term temporary differences	96	92	(3)	7	—	—
Intangible and tangible fixed assets	(2,476)	(3,473)	(997)	1,578	—	—
Potential future share option exercises	405	6	(399)	655	—	174
Research and Development Expenditure Credit	—	358	358	(175)	—	—
Losses available for offsetting against future taxable income	1,975	3,017	1,041	(2,240)	—	—
Deferred tax expense/(benefit)			—	(175)	—	174
Net deferred tax assets	—	—				
Reconciliation in the statement of financial position:						
Deferred tax assets	2,476	3,473				
Deferred tax liabilities	(2,476)	(3,473)				
Net deferred tax assets	—	—				

The corporation tax rate has remained at 25% since 1 April 2023; therefore, at 31 May 2025, deferred taxes have been measured using the tax rate at the date that the deferred tax asset or liability unwinds of 25% (31 May 2024: 25%).

The Company has elected into the Research and Development Expenditure Credit (RDEC) scheme. The Research and Development (R&D) tax credit in FY24 and FY25 is recognised in research and development expenses. The total RDEC claim during FY25 is £791k (FY24: £764k) and is recognised in the income statement in line with the amortisation profile of the related intangible assets. The quantum of the final FY24 RDEC claim decreased from £769k to £744k after preparing and submitting the final UK corporation tax return. The deferred tax asset in respect of the notional 25% tax charge on the RDEC claim reduced to £nil at 31 May 2025 (31 May 2024: £0.4 million) as it was utilised against taxable profits during the year.

Accumulated Company tax losses at 31 May 2025 are provisionally estimated to be £114.2 million (31 May 2024: £121.5 million). The actual accumulated Company tax losses at 31 May 2024 increased to £121.9 million after preparing and submitting the final FY24 corporation tax returns. The increase of £0.4 million is primarily due to the correction of intangible assets disposal costs adjustment in the return.

The accumulated UK tax losses movement of £7.7 million during FY25 relates to the utilisation of prior year tax losses against the taxable profit generated in FY25.

Out of the £114.2 million of tax losses carried forward at 31 May 2025 (31 May 2024: £121.5 million), £7.9 million of tax losses was recognised as a deferred tax asset (31 May 2024: £12.1 million). In line with FY24, recognition was limited to the extent of available taxable temporary differences, thereby offsetting the deferred tax liability to £nil. The £7.9 million recognised provides sufficient losses to cover forecast taxable profits for the year ended 31 May 2026 and deferred tax liabilities unwinding in respect of intangible and tangible assets.

Although the Company generated taxable profits during FY25 and utilised a portion of its brought forward tax losses, the assessment of future taxable profits past 31 May 2026 remains subject to significant uncertainty. This is primarily due to the complexity of the Company's tax arrangements, particularly in relation to income streams benefiting from Video Games Tax Relief (VGTR) and Patent Box regimes. As a result, no additional deferred tax assets have been recognised in respect of accumulated losses. It is expected that VGTR and Patent Box deductions will continue to be available in future periods, which will materially affect the Company's taxable position and may limit the extent to which brought forward losses can be utilised.

The Company's total unrecognised tax losses at 31 May 2025 were £106.3 million (31 May 2024: £109.4 million).

The losses do not have an expiry date.

44. FINANCIAL ASSETS AND LIABILITIES

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and liabilities:

	31 May 2025 £'000	31 May 2024 £'000
Financial assets at amortised cost Trade		
and other receivables (note 37) Cash	**6,470**	11,260
and cash equivalents (note 38)	**41,750**	29,128
Total	**48,220**	40,388

	31 May 2025 £'000	31 May 2024 £'000
Financial liabilities at amortised cost Trade		
and other payables (note 39) Lease	**23,904**	21,270
liability (note 36)	**18,976**	20,507
Total	**42,880**	41,777

	31 May 2025 £'000	31 May 2024 £'000
Financial assets at FVTPL		
Forward foreign exchange contracts	**357**	84
Contingent consideration (note 28)	**1,601**	1,639

NOTICE OF ANNUAL GENERAL MEETING

FRONTIER DEVELOPMENTS PLC (THE 'COMPANY')
INCORPORATED AND REGISTERED IN ENGLAND AND WALES WITH NO. 02892559
NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the members of the Company will be held at The Trinity Centre located at 24 Cambridge Science Park, Milton Road, Cambridge CB4 0FN on 29 October 2025 at 9.30am (GMT) for the purpose of considering and, if thought fit, to transact the following business. Resolutions 1 to 11 are proposed as ordinary resolutions and Resolutions 12 to 14 as special resolutions:

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

Resolution 1. To receive and adopt the financial statements for the year ended 31 May 2025 together with the reports of the Directors and Auditor thereon.

Resolution 2. To re-appoint Ernst & Young LLP as the Company's Auditor in accordance with Section 489 of the Companies Act 2006 (the '**Act**') to hold office until the conclusion of the next Annual General Meeting at which the accounts of the Company are laid.

Resolution 3. To authorise the directors of the Company (the '**Directors**') to determine the Auditor's remuneration for the ensuing year.

Resolution 4. To re-appoint David Braben, who retires and offers himself for re-appointment, as a Director.

Resolution 5. To re-appoint Ilse Howling, who retires and offers herself for re-appointment, as a Director.

Resolution 6. To re-appoint Jonathan Watts, who retires and offers himself for re-appointment, as a Director.

Resolution 7. To re-appoint Alexander Bevis, who retires and offers himself for re-appointment, as a Director.

Resolution 8. To re-appoint Leslie-Ann Reed, who retires and offers herself for re-appointment, as a Director.

Resolution 9. To re-appoint James Mitchell, who retires and offers himself for re-appointment, as a Director.

Resolution 10. To re-appoint David Walsh, who retires and offers himself for re-appointment, as a Director.

Resolution 11. That the Directors be and are hereby generally and unconditionally authorised to exercise all powers of the Company, pursuant to Section 551 of the Act, to allot equity securities (within the meaning of Section 560 of the Act) up to an aggregate nominal amount of £63,438.66, which represents one-third of the nominal value of the Company's issued share capital (excluding treasury shares) at the date of this notice, provided that this authority, unless renewed, varied or revoked by the Company in a general meeting, shall expire on the earlier of 15 months after the passing of this resolution or the conclusion of the Annual General Meeting of the Company to be held in 2026, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired. This authority is in substitution for all previous authorities conferred upon the Directors pursuant to Section 551 of the Act, but without prejudice to the allotment of any equity securities already made or to be made pursuant to such authorities.

SPECIAL RESOLUTIONS

To consider and, if thought fit, pass the following resolutions as special resolutions:

Resolution 12. That, subject to the passing of Resolution 11, the Directors be and are hereby generally and unconditionally authorised to allot equity securities (within the meaning of Section 560 of the Act) for cash under the authority given by that resolution and/or to sell ordinary shares of £0.005 each in the capital of the Company ('**Ordinary Shares**') held by the Company as treasury shares for cash, as if Section 561 of the Act did not apply to any such allotment or sale, provided that such power shall be limited to:

a. the allotment of equity securities in connection with any rights issue or open offer or other pre-emptive offer and sale of treasury shares to:

   i. holders of Ordinary Shares in proportion (as nearly as may be practicable) to their existing holdings; and

   ii. holders of other equity securities, as required by the rights of those securities, or as the Directors otherwise consider necessary,

   and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory, or any matter whatsoever;

b. the allotment (otherwise than under paragraph (a) above) of equity securities or sale of treasury shares up to an aggregate nominal amount of £19,031.60 (approximately 10% of the nominal value of the Company's issued share capital (excluding treasury shares) at the date of this notice); and

c. to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) or paragraph (b) above) up to a nominal amount equal to 20% of the nominal amount of any equity securities or treasury shares allotted or sold from time to time under paragraph (b) above in respect of a specific equity issuance, such authority to be used only for the purposes of making a follow-on offer which the Directors determine to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice.

The authority granted by this Resolution 12 shall expire on the earlier of 15 months after the passing of this resolution or the conclusion of the Annual General Meeting of the Company to be held in 2026, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry and the Directors may allot equity securities or sell treasury shares in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

SPECIAL RESOLUTIONS CONTINUED

Resolution 13. That, subject to the passing of Resolution 11, the Directors be and are hereby generally and unconditionally authorised, in addition to any authority granted under Resolution 12, to allot equity securities (within the meaning of Section 560 of the Act) for cash under the authority given by that resolution and/or to sell Ordinary Shares held by the Company as treasury shares for cash, as if Section 561 of the Act did not apply to any such allotment or sale, provided that such power shall be limited to:

a the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £19,031.60 (approximately 10% of the nominal value of the Company's issued share capital (excluding treasury shares) at the date of this notice) and used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice; and

b. limited to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount equal to 20% of the nominal value of any equity securities or treasury shares allotted or sold from time to time under paragraph (a) above, such authority to be used only for the purposes of making a follow-on offer which the Directors determine to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice.

The authority granted by this Resolution 13 shall expire on the earlier of 15 months after the passing of this resolution or the conclusion of the Annual General Meeting of the Company to be held in 2026, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry and the Directors may allot equity securities or sell treasury shares in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

Resolution 14. That the Company be and it is hereby generally and unconditionally authorised for the purpose of Section 701 of the Act to make one or more market purchases (within the meaning of Section 693(4) of the Act) of Ordinary Shares, provided that:

a. the maximum aggregate number of Ordinary Shares authorised to be purchased is 3,806,320 (representing approximately 10% of the Company's issued Ordinary Share capital (excluding treasury shares) as at the date of this notice);

b. the minimum price which may be paid for such Ordinary Shares is £0.005 per share (exclusive of expenses);

c. the maximum price (exclusive of expenses) which may be paid for an Ordinary Share cannot be more than an amount equal to the higher of:

   i. *105% of the average of the closing middle market price for an Ordinary Share as derived* from the AIM appendix to the London Stock Exchange Daily Official List for the five business days immediately prior to the day the purchase is made; and

   ii. an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the trading venue where the purchase is carried out;

d. unless previously renewed, varied or revoked, the authority hereby conferred shall expire on the earlier of 15 months after the date of the passing of this resolution and the conclusion of the next Annual General Meeting of the Company; and

e. the Company may make a contract or contracts to purchase Ordinary Shares under this authority prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts.

By order of the Board

ILSE HOWLING
CHAIRMAN
9 September 2025

REGISTERED OFFICE:
Frontier Developments plc
26 Cambridge Science Park
Milton Road
Cambridge
CB4 0FP

EXPLANATION OF THE RESOLUTIONS
Resolutions 1 to 11 (inclusive) will all be proposed as ordinary resolutions. This means that, for each of these ordinary resolutions to be passed on a poll, members representing a simple majority of the total voting rights of the members voting (in person or by proxy) must vote in favour of the resolution.

Resolutions 12 to 14 will be proposed as special resolutions. This means that, for each of these resolutions to be passed on a poll, members representing not less than 75% of the total voting rights of the members voting (in person or by proxy) must vote in favour of the resolution.

RESOLUTION 1: APPROVAL OF ANNUAL REPORT AND ACCOUNTS
Resolution 1 proposes that the Company's annual accounts for the year ended 31 May 2025, together with the Report of the Directors and Auditor's Report on these accounts, be received, considered and adopted.

RESOLUTIONS 2 AND 3: RE-APPOINTMENT AND REMUNERATION OF AUDITOR
Resolution 2 relates to the re-appointment of Ernst & Young LLP as the Company's Auditor to hold office until the next Annual General Meeting of the Company whilst Resolution 3 will be proposed to authorise the Directors to set the Auditor's remuneration.

RESOLUTIONS 3 TO 10: RE-ELECTION OF DIRECTORS
Resolutions 3 to 10 deal with the re-election of those Directors who were Directors at the last Annual General Meeting, who shall each retire as Directors in accordance with the Articles of Association of the Company and, being eligible, offer themselves for re-election as Directors of the Company.

Biographical details for each of the Directors are available online at https://www.frontier.co.uk/company/director-biographies-and-committees.

RESOLUTION 11: ALLOTMENT OF SHARE CAPITAL
Resolution 11 grants the Directors general authority to allot Ordinary Shares in the capital of the Company or to grant rights to subscribe for, or to convert any security into, such shares in the Company up to an aggregate nominal amount of £63,438.66, representing approximately 33% of the Company's current issued Ordinary Share capital (excluding treasury shares).

RESOLUTION 12: DISAPPLICATION OF STATUTORY PRE-EMPTION RIGHTS
Section 561(1) of the Companies Act 2006 requires that on an allotment of new shares for cash or the sale of treasury shares, such shares must first be offered to existing shareholders in proportion to the number of shares that they each hold at that time. The Directors believe that there may be circumstances when it is in the best interests of the Company to allot or sell new Ordinary Shares either on an entirely non-pre-emptive basis or in a way that departs from the statutory requirements set out in the Companies Act 2006.

Accordingly, Resolution 12 grants the Directors general authority to allot and sell equity securities covered by the Resolution 11 authority to allot for cash as if Section 561 of the Companies Act 2006 did not apply, provided that this power is limited to (a) the allotment and sale to holders of Ordinary Shares or other equity securities on a pre-emptive basis but with appropriate adjustments to the statutory pre-emption requirements set out in the Companies Act 2006, for example to deal with fractional entitlements and overseas legal requirements, as the Directors see fit; (b) the allotment or sale (otherwise than pursuant to (a)) of equity securities on a non-pre-emptive basis up to a maximum nominal value of £19,031.60, representing approximately 10% of the Company's issued share capital (excluding treasury shares) as at the date of this notice; and (c) the allotment or sale (otherwise than pursuant to (a) and (b)) of equity securities on a non-pre-emptive basis up to 2% of the issued share capital of the Company (excluding treasury shares) at the date of this notice to be used only for the purposes of making a follow-on offer to existing holders of securities not allocated shares pursuant to any share issue or share sale effected under (a) and (b) above.

Resolution 12 is in line with the Pre-Emption Group's Statement of Principles for the Disapplication of Pre-Emption Rights which was updated on 4 November 2022.

RESOLUTION 13: DISAPPLICATION OF STATUTORY PRE-EMPTION RIGHTS IN CONNECTION WITH AN ACQUISITION OR OTHER CAPITAL INVESTMENT
In addition to Resolution 12, the Directors believe that there may be other circumstances when it is in the best interests of the Company to allot new Ordinary Shares or sell treasury shares either on an entirely non-pre-emptive basis or in a way that departs from the statutory requirements set out in the Companies Act 2006.

Accordingly, Resolution 13 grants the Directors general authority to allot and sell equity securities covered by the Resolution 11 authority to allot for cash as if Section 561 of the Companies Act 2006 did not apply, provided that this power is limited to (a) the allotment or sale of equity securities on a non-pre-emptive basis up to a maximum nominal value of £19,031.60, representing approximately 10% of the Company's issued share capital (excluding treasury shares) at the date of this notice and used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment (of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice); and (b) the allotment or sale (otherwise than pursuant to (a)) of equity securities on a non-pre-emptive basis up to 2% of the issued share capital of the Company at the date of this notice to be used only for the purposes of making a follow-on offer to existing holders of securities not allocated shares pursuant to any share issue or share sale effected under (b) above.

Resolution 13 is in line with the Pre-Emption Group's Statement of Principles for the Disapplication of Pre-Emption Rights which was updated on 4 November 2022.

RESOLUTION 14: AUTHORITY FOR MARKET PURCHASES OF OWN SHARES
Resolution 14 grants the Directors authority to make limited market purchases of Ordinary Shares. The authority is limited to a maximum aggregate number of 3,806,320 Ordinary Shares (representing approximately 10% of the issued share capital of the Company (excluding treasury shares) at the date of this notice) and Resolution 14 sets out the minimum and maximum prices payable for the purchase by the Company of Ordinary Shares, exclusive of expenses. Any purchases of Ordinary Shares would be made by means of market purchase through the London Stock Exchange.

In accordance with the recommendation of the Investment Association, this resolution is being proposed as a special resolution.

On 8 July 2025, the Company announced that it would commence a £10 million share buyback programme (the **'Buyback Programme'**), which would expire on 27 June 2026 (if not terminated earlier). The Buyback Programme is conditional upon the Company's authority to make market purchases, pursuant to Resolution 14, being renewed and will terminate if Resolution 14 is not passed.

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

1. A member entitled to attend and vote at the meeting is also entitled to appoint one or more proxies to attend, speak and vote instead of him. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. The proxy need not be a member of the Company but must attend the meeting to represent you.
2. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. In the absence of instructions, the person appointed proxy may vote or abstain from voting as he/she thinks fit on the specified resolutions and, unless otherwise instructed, may also vote or abstain from voting on any other matter (including amendments to resolutions) which may properly come before the meeting.
3. In the case of joint holders, the signature of any one of them will suffice but the names of all joint holders should be stated. The vote of the senior who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the votes of the other holders. For this purpose, seniority is determined by the order in which the names stand in the register of members in respect of the joint holding.

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING CONTINUED

4. To be effective, the Form of Proxy must be duly completed and deposited together with any power of attorney or other authority (if any) under which it is executed (or a duly certified copy of such power or authority) and lodged at MUFG Corporate Markets, PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL, no later than 9.30am (GMT) on 27 October 2025 (being not more than 48 hours (excluding non-working days) prior to the time fixed for the meeting), or by using the Investor Centre app or by logging on to https://uk.investorcentre.mpms.mufg.com/ and following the instructions (see below). You may request a hard copy Form of Proxy directly from the registrar, MUFG Corporate Markets using the contact details below.

   If you require any assistance in locating the above documents, please contact MUFG Corporate Markets on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00am and 5.30pm (London time) Monday to Friday excluding public holidays in England and Wales. Alternatively, you can email your enquiry to shareholderenquiries@cm.mpms.mufg.com.

   Shareholders can vote electronically via the Investor Centre, a free app for smartphone and tablet provided by MUFG Corporate Markets (the Company's registrar). It allows you to securely manage and monitor your shareholdings in real time, take part in online voting, keep your details up to date, access a range of information including payment history and much more. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below. Alternatively, you may access the Investor Centre via a web browser at: https://uk.investorcentre.mpms.mufg.com/.

   Google Play App Store

5. Whether or not you propose to attend the Annual General Meeting, please complete, sign and submit a Form of Proxy to our registrar, MUFG Corporate Markets, PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL, by no later than the time and date specified above.

6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's registrar (ID: RA10) by the latest time(s) for receipt of proxy appointments specified in note 4 above. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

   CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings (www.euroclear.com).

   The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

7. Proxymity voting – if you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 9.30am on 27 October 2025 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

8. Unless otherwise indicated on the Form of Proxy, CREST, Proxymity or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.

9. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those members entered on the register of members of the Company by 6.30pm (GMT) on 27 October 2025 (being not more than 48 hours (excluding non-working days) prior to the time fixed for the meeting) shall be entitled to attend and vote at the meeting or, if the meeting is adjourned, by 6.30pm (GMT) on such date being not more than 48 hours (excluding non-working days) prior to the date fixed for the adjourned meeting. Changes to entries on the register of members after such time shall be disregarded in determining the right of any person to attend or vote at the meeting.

10. As at 9 September 2025, the Company's issued share capital comprised 39,478,535 Ordinary Shares of £0.005 each, of which 1,415,337 Ordinary Shares were held by the Company in treasury. Each Ordinary Share carries the right to one vote at a general meeting of the Company; therefore, the total number of voting rights in the Company on 9 September 2025 is 38,063,198.

11. The following documents will be available for inspection from the date of this notice until the meeting at the Company's registered office and at the meeting convened by this notice:
    - a register of Directors' share interests;
    - copies of the Directors' service contracts and letters of appointment (as applicable); and
    - a copy of the Company's Articles of Association.

12. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member.

13. You may also appoint a proxy at https://uk.investorcentre.mpms.mufg.com/ instead of using the Form of Proxy. You will need your investor code (IVC). This can be found on your share certificate.

ADVISORS AND COMPANY INFORMATION

COMPANY SECRETARY
Jessica Bourne

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Milton Road
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WEBSITE
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REGISTERED NUMBER
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(Incorporated and registered
in England and Wales)

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MUFG CORPORATE MARKETS
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FIVE-YEAR SUMMARY

	12 months to 31 May 2025	12 months to 31 May 2024	12 months to 31 May 2023	12 months to 31 May 2022	12 months to 31 May 2021
Revenue	**£90.6m**	£89.3m	£104.6m	£114.0m	£90.7m
Operating Profit/(Loss)	**£12.7m**	(£28.4m)	(£26.6m)	£1.5m	£19.9m
Adjusted Operating Profit/ (Loss)[1]	**£13.2m**	£4.6m	(£3.1m)	£8.1m	£11.7m
EBITDA[2]	**£36.1m**	£26.8m	£33.0m	£41.1m	£38.1m
Adjusted EBITDA[3]	**£9.4m**	£0.9m	(£4.6m)	£6.7m	£11.8m
Basic EPS	**42.4p**	(55.6p)	(53.6p)	24.6p	55.4p
Net Cash Balance	**£42.5m**	£29.5m	£28.3m	£38.7m	£42.4m

1 Adjusted Operating Profit measures Frontier's financial performance after eliminating non-cash development cost accounting adjustments (cost capitalisation, amortisation charges and impairment charges), non-cash share charges, non-operating items (including restructuring costs), and after recording the full benefits of tax and R&D expenditure credits against the expenditure they relate to.

2 Earnings before interest, tax, depreciation and amortisation.

3 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.

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