

Frontier Developments plc

Interim Results

H1 revenue up 33%. Well positioned for an exciting 2022.

Frontier Developments plc (AIM: FDEV, "Frontier", the "Company"), a leading developer and publisher of video games based in Cambridge, UK has published its unaudited interim results for the 6 months to 30 November 2021 ('H1 FY22') and provides a trading update following the important Holiday season.

Financial Highlights

	H1 FY22 (6 months to 30 November 2021)	H1 FY21 (6 months to 30 November 2020)	FY21 (12 months to 31 May 2021)
Revenue	£49.1m	£36.9m	£90.7m
EBITDA*	£14.1m	£15.5m	£38.1m
Operating Cash Flow**	£0.7m	£3.1m	£12.2m
Operating (Loss)/Profit	(£1.3m)	£6.9m	£19.9m
Operating Margin %	(3%)	19%	22%
EPS (basic)	(4.2p)	15.0p	55.4p
Net Cash Balance at period end	£33.6m	£34.9m	£42.4m

*Earnings before interest, tax, depreciation and amortisation

** EBITDA excluding non-cash items less investments in game developments and Frontier's game technology

- Revenue grew 33% over the comparative period to £49.1 million (H1 FY21: £36.9 million) through the release of *Jurassic World Evolution 2* in November 2021 and the ongoing performance of our existing game portfolio
- Gross profit margin of 63% reduced versus the comparative period (H1 FY21: 71%) through a higher proportion of revenue attracting IP licence royalties (*Jurassic World Evolution 2*) and console physical discs sales of *Jurassic World Evolution 2* which achieve lower profit margins compared with digital sales
- The combination of a lower gross profit margin percentage and game release related marketing costs resulted in a slightly lower EBITDA compared with the comparative period (£14.1 million in H1 FY22 versus £15.5 million in H1 FY21) with an operating cash inflow in the period of £0.7 million (H1 FY21: £3.1 million)
- Exceptional non-cash foreign exchange and amortisation charges resulted in a small operating loss of £1.3 million in the period (H1 FY21: profit of £6.9 million)
- Net cash balance of £33.6 million at 30 November 2021 (31 May 2021: £42.4 million). The net cash outflow of £8.8 million in the period was mainly due to an increase in working capital, with significant net cash receipts for November sales receivable from channel partners, including for the launch of *Jurassic World Evolution 2*, in December 2021 and January 2022

Operational & Strategic Highlights

- Our launch and nurture strategy continues to deliver, through sustaining and growing our portfolio of genre-leading titles:
 - *Jurassic World Evolution 2* is the latest successful addition to our portfolio, already selling nearly 1 million base game units since release in November 2021
 - *Planet Coaster*, *Planet Zoo* and *Jurassic World Evolution* all continue to entertain existing players whilst attracting new ones, with each title delivering material contributions to sales throughout calendar 2021

- *Elite Dangerous* experienced a difficult calendar 2021 following the disappointing launch of the major *Odyssey* expansion in May 2021. We continue to support the game and our passionate players with development updates, and we have seen an upturn in player sentiment as a result
- Frontier Foundry, our own games label for third-party publishing, continues to grow with a number of exciting titles in discussion as well as those already signed. We have at least four titles coming in calendar 2022 including *FAR: Changing Tides* and *Warhammer 40,000: Chaos Gate – Daemonhunters*.
- Our team continues to grow, with over 250 people joining us during 2021, taking us to a total headcount of 745 as at 31 December 2021. Our amazing people continue to operate positively through the challenges posed by Coronavirus and, in particular, in adapting so well to remote and hybrid working during the last 18 months
- We are very well positioned for the future. This calendar year will see us enter the incredible world of Formula 1 – a truly global sport – with the first release for our annual F1 management game franchise. Furthermore, it will see Foundry continuing to build momentum to become a material contributor to the business, and we will see the release of Universal Picture’s hugely anticipated *Jurassic World Dominion* film, and the expected corresponding benefit to *Jurassic World Evolution 2*

Current Trading and Outlook

December is always an important month for sales in the games industry, and we were pleased to achieve our highest ever December revenue in 2021, as expected. *Jurassic World Evolution 2* delivered a strong second month of sales following its release in November 2021, and our existing portfolio of established titles all provided solid contributions.

We start the calendar year with a great portfolio and an exciting pipeline of new titles, through both our own internal developments and through Frontier Foundry, working closely with external partners. We are building valuable long-term relationships with all of our partners and have some phenomenal projects in development, which in time will further enrich our portfolio of great games.

In the remaining five months of the current financial year (to 31 May 2022) we look forward to delivering two new games from Frontier Foundry, *FAR: Changing Tides* (now confirmed for release on 1 March 2022) and *Warhammer 40,000: Chaos Gate - Daemonhunters*, whilst supporting our existing portfolio with new content. Based on current estimates for the remaining period, the Board have narrowed the revenue guidance range for FY22 to £100 million to £120 million.

Looking a little further ahead, we have exciting plans for FY23 (the 12 months to 31 May 2023):

- The first of our annual Formula 1® management games will release during the 2022 F1 season (in FY23), as part of our exclusive licence for Formula 1® management games
- *Jurassic World Evolution 2* is expected to benefit from the release of the *Jurassic World Dominion* film in June 2022 (in FY23) and all the promotional awareness that this film release will bring to the game, with multiple exciting PDLC packs planned through the year
- *Planet Zoo* will also benefit from a continuing roadmap of new PDLC packs
- Frontier Foundry, our games label for 3rd party publishing, will release multiple new titles as it continues to grow

Our *Warhammer Age of Sigmar* IP real-time strategy game planned for release during calendar 2023 will now release later in that calendar year, falling in FY24. This change will further improve the quality and longevity of the game, and overall make it more successful. As a result of this scheduling adjustment, the Board have revised the revenue guidance range for FY23 to £130 million to £160 million, implying 18% to 45% annual growth from the mid-point of FY22 guidance.

We have excellent prospects for sustainable long-term growth based on the longevity of our existing portfolio and our future development and publishing plans, underpinned by our world-class and growing team.

David Braben, Chief Executive, said:

"We have had an unprecedented couple of years because of Coronavirus and the resulting changes, both positive and negative. We have seen increased sales and changes to purchasing patterns, the acceleration of the transition towards interactive entertainment and digital purchasing, and changes to production that embrace home-working. Although Coronavirus challenges remain, we believe we now have sound production processes that work in the new hybrid world, as demonstrated by the on-time and high quality delivery of the excellent Jurassic World Evolution 2, and this sets us up for future success. Our team has done a fantastic job adapting to all these challenges and finding new ways of working. We have the potential for much greater growth in the next few years as we reap the benefits of all the hard work we have done to adapt to these changes and capitalise on a great portfolio of existing games together with the exciting new franchises such as Formula 1® management games and our Warhammer Age of Sigmar real-time strategy game. We are well set up with a great portfolio for an exciting future."

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as amended by The Market Abuse (Amendment) (EU Exit) Regulations 2019. The person responsible for making this announcement on behalf of the Company is Alex Bevis.

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About Frontier Developments plc

Frontier is a leading independent developer and publisher of videogames founded in 1994 by David Braben, co-author of the iconic Elite game. Based in Cambridge, Frontier uses its proprietary COBRA game development technology to create innovative genre-leading games, primarily for personal computers and videogame consoles. As well as self-publishing internally developed games, Frontier also publishes games developed by carefully selected partner studios under its Frontier Foundry games label.

Frontier's LEI number: 213800B9LGPWUAZ9GX18.

www.frontier.co.uk

Interim Results Statement

MAJOR NEW RELEASES

Our biggest new release in the period was our latest multiplatform game, *Jurassic World Evolution 2*, which released as planned on 9 November 2021 on PC via Steam and the Epic Games Store, PlayStation®5, Xbox Series X|S, PlayStation®4 and Xbox One, with both digital and physical formats available to PlayStation and Xbox players from day one.

The critical and audience reception from launch has been very positive, thanks to the hard work of our talented people across our development, publishing and support teams. Our player community are enjoying the enhancements we have made, as well as the new content that we have introduced, building on the strong foundations of *Jurassic World Evolution*. Game reviews are very good - the scores compiled by Opencritic show 67 reviews providing a Top Critic Average score of 78.

Base game sales have reached almost 1 million units after 9 weeks from release, with strong sales in both November and December. Sales rates as we start calendar 2022 are encouraging.

PDLC is an important element of the post-launch strategy for *Jurassic World Evolution 2* as part of Frontier's proven launch and nurture approach to game development and publication. Two well-received PDLC packs have been released to date, with the Deluxe Upgrade pack available at release and the Early Cretaceous Pack launching a month later on 9 December 2021. Multiple exciting PDLC packs are planned for 2022.

Significant sales of both the base game and PDLC are expected from June 2022 when the *Jurassic World Dominion* film releases.

REVENUE

Total revenue in H1 FY21 grew to £49.1 million, 33% ahead of the comparative period (H1 FY21: £36.9 million). *Jurassic World Evolution 2* was the main catalyst for growth, launching in the final month of the period. *Planet Zoo* also delivered growth over the comparative period, with revenue growing 14% through sales of new and existing PDLC as well as sales of the base game. *Planet Coaster* and *Jurassic World Evolution* delivered solid sales performances during H1 FY22 against a tough comparative period which included major new platform releases for each title: in November 2020 *Planet Coaster* expanded onto Xbox Series X|S, Xbox One, PlayStation 4 and PlayStation 5, and *Jurassic World Evolution* released on Nintendo Switch. The overall sales performance of *Elite Dangerous* in the period was below expectations following the disappointing launch of *Elite Dangerous: Odyssey* in May 2021. Frontier Foundry, our games label for 3rd party publishing, launched innovative strategic shooter *Lemnis Gate* during the period, with more material revenues expected in the second half of the financial year from *FAR: Changing Tides*, now confirmed for release on 1 March 2022, and *Warhammer 40,000: Chaos Gate - Daemonhunters*.

PROFITABILITY

Gross profit of £30.8 million was recorded in the period (H1 FY21: £26.2 million) with gross profit margin at 63% (H1 FY21: 71%). The lower percentage margin resulted from a higher proportion of revenue attracting IP licence royalties (*Jurassic World Evolution 2*) and console physical discs sales of *Jurassic World Evolution 2* which achieve lower profit margins compared with digital sales.

Gross research and development expenses in the period increased by 41% to £22.2 million (H1 FY21: £15.8 million). The growth resulted from a continued growth in headcount to support Frontier's development plans, an increase in outsourced activity and investments in Frontier Foundry partner developments.

Capitalisation of development costs on game developments and game technology accounted for £15.8 million in the six months to 30 November 2021 (H1 FY21: £13.1 million). The percentage of gross research and development costs which were capitalised in the period was 71%, lower than the 83% recorded for H1 FY21 as more development staff were working on free updates (as opposed to chargeable content) during

the recent period, notably the ongoing post-release support for *Elite Dangerous: Odyssey*. Frontier's normal expectations for capitalisation is 70-90% of gross development spending.

R&D amortisation charges related to previously capitalised development costs grew 73% to £12.2 million (H1 FY21: £7.0 million). Charges in H1 FY22 included a full six months of amortisation for major expansion *Elite Dangerous: Odyssey* and one month for *Jurassic World Evolution 2*, as well as an accelerated amortisation charge for *Lemnis Gate* following its relatively low sales performance at release.

Net research and development expenses recorded in the income statement in the period grew 91% to £18.6 million (H1 FY21: £9.7 million), being gross spend of £22.2 million, less capitalised costs of £15.8 million, plus amortisation charges of £12.2 million.

Sales and marketing expenses in the period were £7.5 million (H1 FY21: £3.4 million) with the largest element of the increase from the launch of *Jurassic World Evolution 2*. Administrative expenses were £6.0 million in the period (H1 FY21: £6.1 million).

Exceptional non-cash foreign exchange and amortisation charges, together with a lower gross profit margin percentage, higher net R&D expenses (including some one-off items) and game release related marketing costs resulted in a small operating loss of £1.3 million in the period (H1 FY21: profit of £6.9 million).

A net zero corporation tax charge was recorded in the income statement for the period (H1 FY21: £0.6 million), since for the full financial year enhanced deductions from the Video Game Tax Relief scheme are expected to offset tax charges on profits. The Group expects to provide additional corporation tax disclosures in the FY22 financial statements.

A loss after tax of £1.7 million was recorded in the period (H1 FY21: profit of £5.8 million). Basic earnings per share was a loss of 4.2 pence (H1 FY21: profit of 15.0 pence).

BALANCE SHEET AND CASH FLOW

The Company continues to benefit from a strong balance sheet, with cash balances of £33.6 million at 30 November 2021 (31 May 2021: £42.4 million; 30 November 2020: £34.9 million). The majority of the £8.8 million reduction in cash during the period was due to an increase in net working capital at the end of the period related to the release of *Jurassic World Evolution 2*. Trade and other receivables grew by £14.1 to £27.8 million at 30 November 2021 (31 May 2021: £13.7 million), with trade and other payables increasing by £5.4 million to £20.2 million (31 May 2021: £14.8 million). This working capital increase is expected to unwind during the second half of the financial year.

Although cash balances reduced in the period, Frontier recorded an overall operating cash inflow of £0.7 million in the period (H1 FY21: £3.1 million), defined as EBITDA excluding non-cash items less investments in game developments and Frontier's game technology.

CONSOLIDATED INCOME STATEMENT

		6 months to 30 November 2021 £'000	6 months to 30 November 2020 £'000	12 months to 31 May 2020 £'000
	Notes			
Revenue	6	49,116	36,907	90,688
Cost of sales		(18,326)	(10,747)	(27,538)
Gross profit		30,790	26,160	63,150
Research and development expenses		(18,593)	(9,717)	(22,025)
Sales and marketing expenses		(7,503)	(3,432)	(7,269)
Administrative expenses		(6,037)	(6,133)	(13,940)
Operating (loss)/profit		(1,343)	6,878	19,916
Finance costs		(310)	(423)	(731)
(Loss)/Profit before tax		(1,653)	6,455	19,185
Income tax		-	(646)	2,373
(Loss)/Profit for the period attributable to shareholders		(1,653)	5,809	21,558
Earnings per share				
Basic earnings per share	7	(4.2p)	15.0	55.4
Diluted earnings per share	7	(4.2p)	14.4	53.3

All the activities of the Group are classified as continuing

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months to 30 November 2021 £'000	6 months to 30 November 2020 £'000	12 months to 31 May 2021 £'000
(Loss)/Profit for the period	(1,653)	5,809	21,558
Other comprehensive income:			
Exchange differences on translation of foreign operations	(12)	13	23
Total comprehensive (loss)/income for the period attributable to the equity holders of the parent	(1,665)	5,822	21,581

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2021
(REGISTERED COMPANY NO: 02892559)

	Notes	30 November 2021 £'000	30 November 2020 £'000	31 May 2021 £'000
Non-current assets				
Intangible assets	8	73,508	58,940	71,318
Property, plant and equipment	9	6,967	5,854	6,078
Right-of-use asset		20,296	21,920	21,108
Deferred tax asset		384	6,175	384
		101,155	92,889	98,888
Current assets				
Trade and other receivables		27,845	14,979	13,741
Current tax asset		2,511	2,377	6,468
Cash and cash equivalents		33,561	34,892	42,423
		63,917	52,248	62,632
Total assets		165,072	145,137	161,520
Current liabilities				
Trade and other payables		(20,167)	(11,940)	(14,768)
Lease liability		(1,440)	(1,337)	(1,419)
Deferred income		(1,327)	(1,972)	(2,180)
Current tax liabilities		-	(684)	-
		(22,934)	(15,933)	(18,367)
Net current assets		40,983	36,315	44,265
Non-current liabilities				
Provisions		(49)	(34)	(41)
Lease liability		(20,008)	(21,530)	(20,739)
Deferred income		-	(230)	-
Other payables		(8,825)	(7,184)	(9,219)
Deferred tax liabilities		-	(4,038)	-
		(28,882)	(33,016)	(29,999)
Total liabilities		(51,816)	(48,949)	(48,366)
Net assets		113,256	96,188	113,154
Equity				
Share capital	10	197	196	197
Share premium account		36,368	35,772	36,079
Equity reserve		(8,635)	(9,529)	(9,351)
Foreign exchange reserve		(11)	(9)	1
Retained earnings		85,337	69,758	86,228
Total equity		113,256	96,188	113,154

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital £'000	Share premium account £'000	Equity reserve £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total equity £'000
At 31 May 2020	195	34,589	(925)	(22)	62,897	96,734
Profit for the period	-	-	-	-	5,809	5,809
Other comprehensive income:						
Exchange differences on translation of foreign operations	-	-	-	13	-	13
Total comprehensive income for the period	-	-	-	13	5,809	5,822
Issue of share capital net of expenses	1	1,183	-	-	-	1,184
Share-based payment charges	-	-	1,045	-	-	1,045
Share-based payment transfer relating to option exercises and lapses	-	-	(1,052)	-	1,052	-
EBT cash outflows from share purchases	-	-	(10,000)	-	-	(10,000)
EBT net cash inflows from option exercises	-	-	1,403	-	-	1,403
At 30 November 2020	196	35,772	(9,529)	(9)	69,758	96,188
Profit for the period	-	-	-	-	15,749	15,749
Other comprehensive income:						
Exchange differences on translation of foreign operations	-	-	-	10	-	10
Total comprehensive income for the period	-	-	-	10	15,749	15,759
Issue of share capital net of expenses	1	307	-	-	-	308
Share-based payment charges	-	-	1,110	-	-	1,110
Share-based payment transfer relating to option exercises and lapses	-	-	(718)	-	718	-
EBT cash outflows from share purchases	-	-	-	-	-	-
EBT net cash inflows from option exercises	-	-	(214)	-	-	(214)
Deferred tax movements posted directly to reserves	-	-	-	-	3	3
At 31 May 2021	197	36,079	(9,351)	1	86,228	113,154
(Loss)/Profit for the period	-	-	-	-	(1,653)	(1,653)
Other comprehensive income:						
Exchange differences on translation of foreign operations	-	-	-	(12)	-	(12)
Total comprehensive loss for the period	-	-	-	(12)	(1,653)	(1,665)
Issue of share capital net of expenses	-	289	-	-	-	289
Share-based payment charges	-	-	1,175	-	-	1,175
Share-based payment transfer relating to option exercises and lapses	-	-	(762)	-	762	-
EBT cash outflows from share purchases	-	-	-	-	-	-
EBT net cash inflows from option exercises	-	-	303	-	-	303
At 30 November 2021	197	36,368	(8,635)	(11)	85,337	113,256

CONSOLIDATED STATEMENT OF CASHFLOWS

	6 months to 30 November 2021 £'000	6 months to 30 November 2020 £'000	12 months to 31 May 2021 £'000
Cash generated from operations	5,368	11,597	38,916
Taxes received	3,957	38	38
Cashflow from operating activities	9,325	11,635	38,954
Investing activities			
Purchase of property, plant and equipment	(1,779)	(488)	(1,375)
Expenditure on intangible assets	(15,969)	(13,515)	(31,502)
Interest received	14	27	48
Cashflow from investing activities	(17,734)	(13,976)	(32,829)
Financing activities			
Proceeds from issue of share capital	289	1,184	1,492
Employee Benefit Trust cash outflows from share purchases	-	(10,000)	(10,000)
Employee Benefit Trust cash inflows from option exercises	303	1,403	1,189
Payment of principal element of lease liabilities	(709)	(669)	(1,377)
Payment of interest element of lease liabilities	(325)	(365)	(691)
Interest paid	-	(88)	(88)
Cashflow from financing activities	(442)	(8,535)	(9,475)
Net change in cash and cash equivalents from continuing operations	(8,851)	(10,876)	(3,350)
Cash and cash equivalents at beginning of period	42,423	45,751	45,751
Exchange differences on cash and cash equivalents	(11)	17	22
Cash and cash equivalents at end of period	33,561	34,892	42,423

The accompanying notes form part of this financial information.

Reconciliation of operating profit to cash generated from operations

	6 months to 30 November 2021 £'000	6 months to 30 November 2020 £'000	12 months to 31 May 2021 £'000
Operating (loss)/profit	(1,343)	6,878	19,916
Depreciation and amortisation	15,481	8,616	18,167
EBITDA	14,138	15,494	38,083
Movement in unrealised exchange (gains)/losses on forward contracts	1,224	(298)	(223)
Share-based payment expenses	1,175	1,045	2,155
Operating cashflow before movements in working capital	16,537	16,241	40,015
Net changes in working capital:			
Change in trade and other receivables	(14,105)	(2,397)	(1,233)
Change in trade and other payables	2,929	(2,254)	119
Change in provisions	7	7	15
Cash generated from operations	5,368	11,597	38,916

NOTES TO THE FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Frontier Developments plc (the 'Company') along with its subsidiaries (together the 'Group') 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, registered number 02892559. The address of its registered office is 26 Science Park, Milton Road, Cambridge CB4 0FP. The Group's operations are based in the UK and the US.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

Basis of preparation

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

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

The consolidated interim financial statements should be read in conjunction with the financial statements for the year ended 31 May 2021.

Statutory accounts for the year ended 31 May 2021 were approved by the Board of Directors on 8 September 2021 and delivered to the Registrar of Companies. The Auditors Report was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

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

Going concern basis

The Group's 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 has adequate resources to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of approval of these financial statements. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

Impact of COVID-19 on going concern

The Board continuously monitor the performance of the Groups operational activities and the expected future prospects. As well as reviewing the current market trends and a number of downside scenarios, including any mitigations, the Board have assessed the ability to continue as a going concern during the pandemic. The results of this assessment is that the Group would be able to withstand significant changes in trading behaviour and still be able to continue operationally.

The Group benefits from a strong cash position, continued demand for products and no negative impacts on debtor recoverability. Therefore the Board are satisfied that the financial statements are prepared under the going concern basis.

3. ACCOUNTING POLICIES

Except for the application for UK-adopted international accounting standards, for which there are no material differences from International Financial Reporting Standards as issued by the IASB and adopted by the EU when applied to the Group, the consolidated interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's most recent annual financial statements for the year ended 31 May 2021.

4. ACCOUNTING ESTIMATES AND KEY JUDGEMENTS

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

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 31 May 2021.

5. SIGNIFICANT EVENTS AND TRANSACTIONS

There were no significant events or transactions in the interim period (1 June 2021 to 30 November 2021) which were not included within the interim financial statements. There have been no significant events or transactions during the period from the end of the interim period to the day preceding the date of this report (1 December 2021 to 11 January 2022).

6. 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 self-published and publishing franchises and other revenue streams such as royalties and licensing.

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

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

All material revenue is categorised as either publishing revenue or other revenue. Other revenue mainly related to royalty income.

The Group typically satisfies its performance obligations at the point that the product becomes available to the customer and payment has been received up front.

	6 months to 30 November 2021 £'000	6 months to 30 November 2020 £'000	12 months to 31 May 2021 £'000
Publishing revenue	49,016	36,818	90,471
Other revenue	100	89	217
	49,116	36,907	90,688

7. EARNINGS PER SHARE

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

	6 months to 30 November 2021	6 months to 30 November 2020	12 months to 31 May 2021
Profit attributable to shareholders (£'000)	(1,653)	5,809	21,558
Weighted average number of shares	39,162,921	38,779,241	38,909,932
Basic earnings per share (pence)	(4.2)	15.0	55.4

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

	6 months to 30 November 2021	6 months to 30 November 2020	12 months to 31 May 2021
Profit attributable to shareholders (£'000)	(1,653)	5,809	21,558
Diluted weighted average number of shares	39,162,921	40,469,204	40,471,633
Diluted earnings per share (pence)	(4.2)	14.4	53.3

The reconciliation of average number of Ordinary Shares used for basic and diluted earnings per share is as follows:

	6 months to 30 November 2021	6 months to 30 November 2020	12 months to 31 May 2021
Weighted average number of shares	39,162,921	38,779,241	38,909,932
Dilutive effect of share options	-	1,689,963	1,561,701
Diluted average number of shares	39,162,921	40,469,204	40,471,633

The dilutive effect of share options is nil for the 6 months to 30 November 2021 because a loss was recorded for that period.

8. INTANGIBLE ASSETS

	Game technology £'000	Game developments £'000	Third-party software £'000	IP licences £'000	Total £'000
Cost					
At 31 May 2020	9,158	72,328	1,093	10,824	93,403
Additions	1,529	11,602	384	-	13,515
Transfers	-	(347)	347	-	-
At 30 November 2020	10,687	83,583	1,824	10,824	106,918
Additions	6,322	13,536	236	361	20,455
At 31 May 2021	17,009	97,119	2,060	11,185	127,373
Additions	1,254	14,557	158	-	15,969
At 30 November 2021	18,263	111,676	2,218	11,185	143,342
Amortisation					
At 31 May 2020	5,589	33,007	803	1,336	40,735
Amortisation charges	699	6,350	194	-	7,243
At 30 November 2020	6,288	39,357	997	1,336	47,978
Amortisation charges	770	7,077	230	-	8,077
At 31 May 2021	7,058	46,434	1,227	1,336	56,055
Amortisation charges	1,058	11,115	229	1,377	13,779
At 30 November 2021	8,116	57,549	1,456	2,713	69,834
Net Book Value					
Net book value at 30 November 2021	10,147	54,127	762	8,472	73,508
Net book value at 31 May 2021	9,951	50,685	833	9,849	71,318
Net book value at 30 November 2020	4,399	44,226	827	9,488	58,940
Net book value at 31 May 2020	3,569	39,321	290	9,488	52,668

9. TANGIBLE ASSETS

	Fixtures and Fittings £'000	Computer Equipment £'000	Leasehold Improvements £'000	Total £'000
Cost				
At 31 May 2020	863	2,781	5,358	9,002
Additions	-	488	-	488
At 30 November 2020	863	3,269	5,358	9,490
Additions	-	887	-	887
At 31 May 2021	863	4,156	5,358	10,377
Additions	-	1,779	-	1,779
At 30 November 2021	863	5,935	5,358	12,156
Depreciation				
At 31 May 2020	396	1,999	681	3,076
Charge for the period	75	318	167	560
At 30 November 2020	471	2,317	848	3,636
Charge for the period	75	420	168	663
At 31 May 2021	546	2,737	1,016	4,299
Charge for the period	75	648	167	890
At 30 November 2021	621	3,385	1,183	5,189
Net Book Value				
Net book value at 30 November 2021	242	2,550	4,175	6,967
Net book value at 31 May 2021	317	1,419	4,342	6,078
Net book value at 30 November 2020	392	952	4,510	5,854
Net book value at 31 May 2020	467	782	4,677	5,926

10. SHARE CAPITAL

	Number	Nominal Value £
At 1 June 2020	38,911,810	194,559
Shares issued on option exercises and warrants	377,047	1,885
At 30 November 2020	39,288,857	196,444
Shares issued on option exercises and warrants	54,747	274
At 31 May 2021	39,343,604	196,718
Shares issued on option exercises and warrants	49,651	248
At 30 November 2021	39,393,255	196,966