



**Good progress across the business.
Continuing to deliver growth strategy.**

Frontier Developments plc
Interim Results February 2017





Introduction

- Independent creator of videogames
 - founded in 1994 by David Braben, co-author of *Elite*, co-founder of Raspberry Pi Foundation
- Proven track record of delivery
 - Three decades of technological and market change
 - Success in a wide variety of genres and platforms
- Use in-house COBRA tech to enable differentiation
- Completed transition to self-publishing multiple franchises
- Exciting growth opportunities ahead
 - Both existing and new franchises



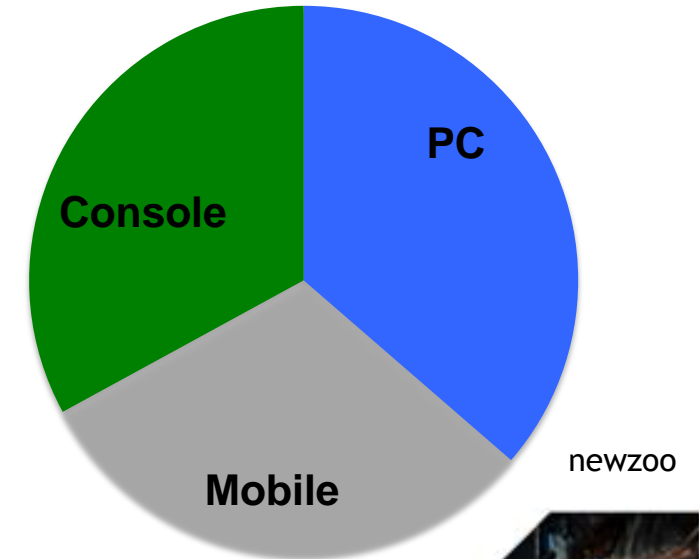


Strategy And Market

- Games becoming world's premiere form of entertainment
- Changed business model to self-publishing
- Leverage our proven expertise
- Build multiple franchises* to drive growth
 - Elite Dangerous 2014
 - Planet Coaster 2016
 - Third franchise 2018

* Analysis of successful video game franchises shown in Appendix 1

Revenue by Segment



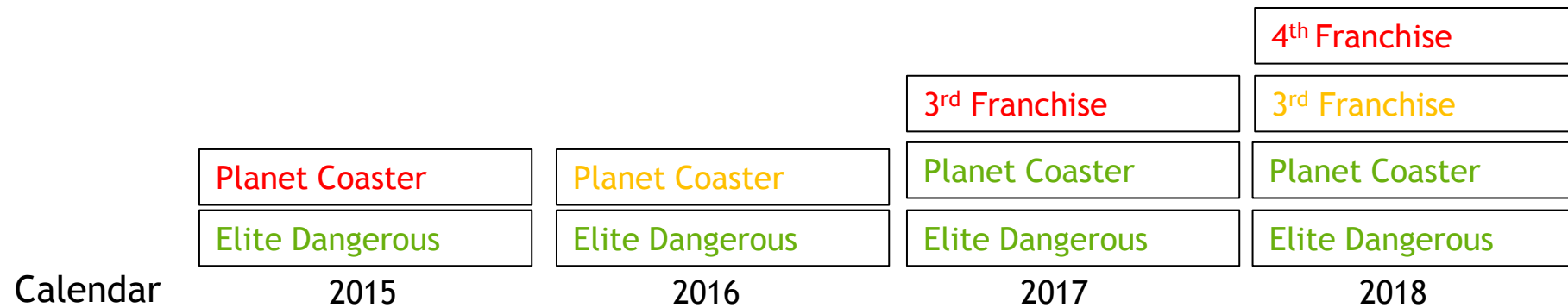
- 2016 games market: \$100Bn
- PC > 50% of \$61Bn total digital revenues
- Frontier current focus is PC and console





Building Franchises

- Will continue to exhibit stepped characteristics driven by the timing of major franchise releases:
 - In 2015 1 franchise revenue supported 2 development streams
 - In 2017 2 franchise revenues will support 3 development streams
 - In 2018 3 franchise revenues will support 4 development streams



Revenue from franchises continues in the years post-launch
Franchise investment is therefore capitalised over multiple years

Green = revenue earning
Amber = partially earning
Red = Investment phase





Good progress, delivering growth

- Transition complete: independent, self-publishing franchises
- Planet Coaster sold >0.5Mu by end 2016
- Elite Dangerous continues to perform: >2.1Mu by end 2016
- Continued to increase investment
 - Game franchises and operations infrastructure
- Work on third franchise has begun
- Chose to licence an enduring Hollywood movie IP of global renown





Financial Highlights

	1H 16/17	1H 15/16
Revenue	£18.1m	£10.9m
Net cash	£6.7m	£8.6m
Trade receivables	£9.6m	£5.3m
Profit after tax for period	£3.6m	£0.4m
EBITDA	£5.8m	£2.1m
Adjusted Operating Result	£2.2m	(£1.7m)
EPS	10.7p	1.2p

Revenue was up 66% and EBITDA up 179% on the equivalent 1H 15/16 numbers, driven by the successful launch on 17 Nov 2016 of the Group's second franchise, *Planet Coaster*. Net cash is lower as trade receivables from sales of *Planet Coaster* are remitted post-period.



Planet Coaster Video





Successful launch of *Planet Coaster*

- Pre-orders available Aug 2016 after successful Alpha
- Released as planned on 17 Nov 2016
- One of the Steam Top 40 sellers of 2016
 - Despite being released within six weeks of the year-end
- Pipeline of updates planned
- First update released Dec 2016
 - Free seasonal 'Winter' update, added to all areas of the game



Elite Dangerous Video





Continued strengthening *Elite Dangerous*

- Continued updates to *Elite Dangerous*, plus further releases in *Elite Dangerous: Horizons* season of expansions
- Horizons launched on Xbox One June 2016
- ‘The Guardians’ expansion launched simultaneously on PC & Xbox One Oct 2016
- *Elite Dangerous* in Steam Top 100 sellers of 2016
 - >4200 new games released on Steam in 2016
- Announced Playstation 4 launch for 1H 2017





Other Key Developments

- Charles Cotton replaced Jonathan Milner as NED
- Alex Bevis: announced as CFO
 - Ex CSR and Xaar, joins April 2017
- Jane Cooke: Director of Organisational Development
 - Ex Abcam
- Secured premises on Cambridge Science Park from 2018 giving capacity for future expansion with efficiencies of being under one roof





Summary

- Now self-publishing multiple franchises
 - Marks the end of our business model transition
 - The beginning of a new phase of growth
- Board excited about the growth opportunities ahead
- Strong financial position supports investment in growth for the years ahead
 - Strengthening and growing existing franchises
 - Developing new franchises
- Work started on third franchise for 2018 release
 - Chose to license an enduring movie IP of global renown





Ownership Structure

Current shares in issue: 34.1m

Directors	
David Braben	50.3%
David Walsh	3.7%
Jonathan Watts	0.2%
David Gammon	1.0%
Board	55.1%
Lansdowne Partners	9.6%
Chris Sawyer	3.8%
Amati VCT	3.1%
Herald Investment	2.9%
Unicorn	2.7%
River and Mercantile	2.3%
Jupiter	1.8%
Jonathan Milner	1.9%
Old Mutual	0.3%
EBT holding	0.7%
Other holders	15.7%
Free Float	44.9%





Disclaimer

The information contained in this confidential document ("Presentation") has been prepared by Frontier Developments plc (the "Company").

This Presentation has not been approved by an authorised person in accordance with Section 21 of the Financial Services and Markets Act 2000 ("FSMA") and therefore it is being delivered for information purposes only to a very limited number of persons and companies who are persons who have professional experience in matters relating to investments and who fall within the category of person set out in Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or are high net worth companies within the meaning set out in Article 49 of the Order or are otherwise permitted to receive it.

Any other person who receives this Presentation should not rely or act upon it. By accepting this Presentation and not immediately returning it, the recipient represents and warrants that they are a person who falls within the above description of persons entitled to receive the Presentation. This Presentation is not to be disclosed to any other person or used for any other purpose.

The securities referred to in this Presentation have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (as defined in the Securities Act) except pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this Presentation. Any representation to the contrary is a criminal offence.

This Presentation does not constitute an offer, or any solicitation of an offer to subscribe for or purchase, any securities in the Company. Such an offer will be made only by delivery of an offering memorandum and subscription agreement.

While the information contained herein has been prepared in good faith, neither the Company nor any of its shareholders, directors, officers, agents, employees or advisers give, have given or have authority to give, any representations or warranties (express or implied) as to, or in relation to, the accuracy, reliability or completeness of the information in this Presentation, or any revision thereof, or of any other written or oral information made or to be made available to any interested party or its advisers (all such information being referred to as "Information") and liability therefore is expressly disclaimed. Accordingly, neither the Company nor any of its shareholders, directors, officers, agents, employees or advisers take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the Information or for any of the opinions contained herein or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this Presentation. This Presentation has not been fully verified and is subject to material updating, revision and further amendment.

This Presentation may contain forward-looking statements that involve substantial risks and uncertainties, and actual results and developments may differ materially from those expressed or implied by these statements. These forward-looking statements are statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Company's results of operations, financial condition, prospects, growth, strategies and the industry in which the Company operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These forward-looking statements speak only as of the date of this Presentation and the Company does not undertake any obligation to update or revise these forward-looking statements to reflect events or circumstances after the date of this Presentation.

This Presentation should not be considered as the giving of investment advice by the Company or any of its shareholders, directors, officers, agents, employees or advisers. Each party to whom this Presentation is made available must make its own independent assessment of the Company after making such investigations and taking such advice as may be deemed necessary. In particular, any estimates or projections or opinions contained herein necessarily involve significant elements of subjective judgment, analysis and assumptions and each recipient should satisfy itself in relation to such matters.

Neither this Presentation nor any copy of it may be (a) taken or transmitted into Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa or the United States of America (each a "Restricted Territory"), their territories or possessions; (b) distributed to any U.S. person (as defined in Regulation S under the Securities Act) or (c) distributed to any individual outside a Restricted Territory who is a resident thereof in any such case for the purpose of offer for sale or solicitation or invitation to buy or subscribe any securities or in the context where its distribution may be construed as such offer, solicitation or invitation, in any such case except in compliance with any applicable exemption. The distribution of this document in or to persons subject to other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of the relevant jurisdiction.





Summary Income Statement

Group £m	H1 16/17	H1 15/16	H1 14/15	FY 14/15
Revenue	18.1	10.9	7.2	22.8
Cost of sales	(4.6)	(3.1)	(0.4)	(2.2)
Gross profit	13.5	7.8	6.8	20.6
Selling and distribution expenses	(1.2)	(2.0)	(0.9)	(2.7)
Administrative expenses	(4.7)	(2.0)	(2.3)	(4.6)
Research and development expenses	(4.0)	(3.4)	(5.5)	(11.7)
Operating result	3.6	0.4	(1.9)	1.6
Result before taxation	3.6	0.4	(1.9)	1.6
EBITDA	5.7	2.1	0.5	6.1
Adjusted Operating result	2.2	(1.7)	(1.4)	2.5
Earnings per share (pence)				
Basic	10.7	1.2	(5.7)	4.9
Adjusted basis	6.4	(5.0)	(3.9)	4.7





Summary Cash Flow

Group £m	H1 16/17	H1 15/16	H1 14/15	FY 14/15
Operating cash flow	3.6	2.7	3.8	7.3
Investing activity (ex EBT)	(5.1)	(4.5)	(2.7)	(4.7)
Free cashflow	(1.5)	(1.9)	1.1	2.6
Finance activity & fx	(0.4)	0.1	0.3	(0.7)
Net change in cash	(1.9)	(1.8)	1.4	1.9



Summary Balance Sheet

Group £m	H1 16/17	H1 15/16	H1 14/15	FY 14/15
Fixed assets	19.9	14.3	11.6	11.4
Current assets	16.5	14.1	12.3	13.6
Total assets	36.4	28.4	23.9	25.0
Current liabilities	(8.2)	(5.1)	(6.3)	(3.8)
Non-current liabilities	(1.4)	(1.8)	(0.1)	(0.3)
Total liabilities	(9.6)	(6.9)	(6.4)	(4.1)
Net Assets	26.8	21.5	17.5	20.9
Equity				
Ordinary Share capital	0.2	0.2	0.2	0.2
Retained earnings and other reserves	26.6	21.3	17.3	20.7
Total equity attributable to shareholders	26.8	21.5	17.5	20.9





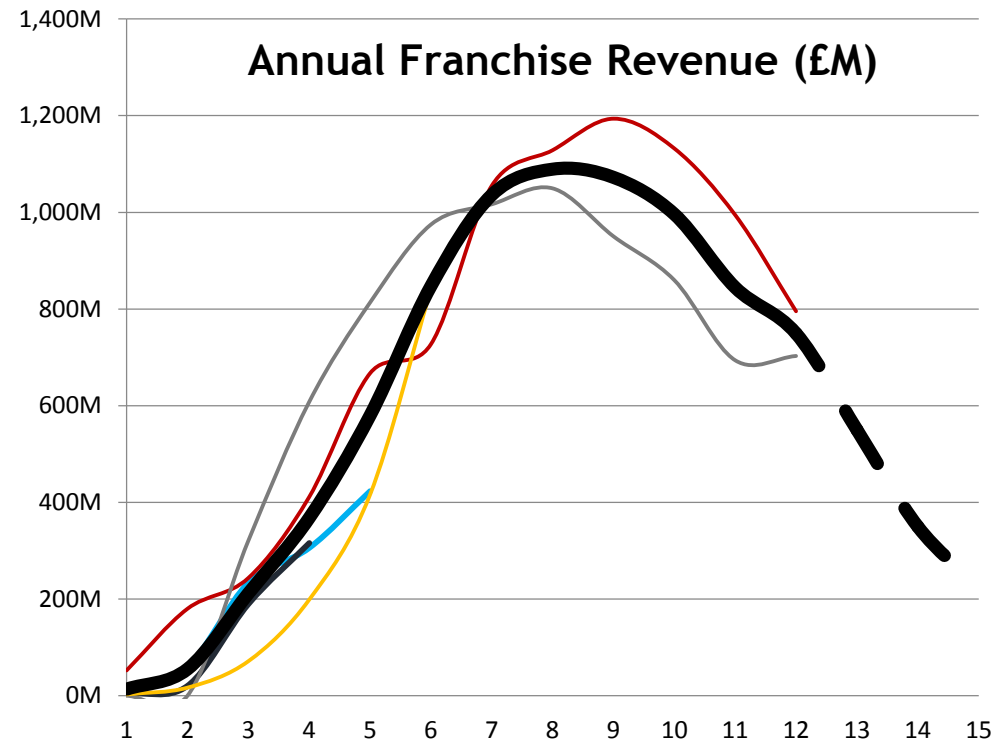
Appendix 1 - Analysis of Successful Game Franchises

- Multiple successful franchises support the valuations* of large publishers:

- Activision Blizzard \$32.8Bn
- Electronic Arts \$25.8Bn
- Ubisoft €4.2Bn

- Monetised through games and other media increasingly

* 7 Sept 2016



- Five very successful franchises at different stages, aligned by first year, with average revenue in black
- Successful franchises lifecycle of up to 15 years

