



FRONTIER[®]

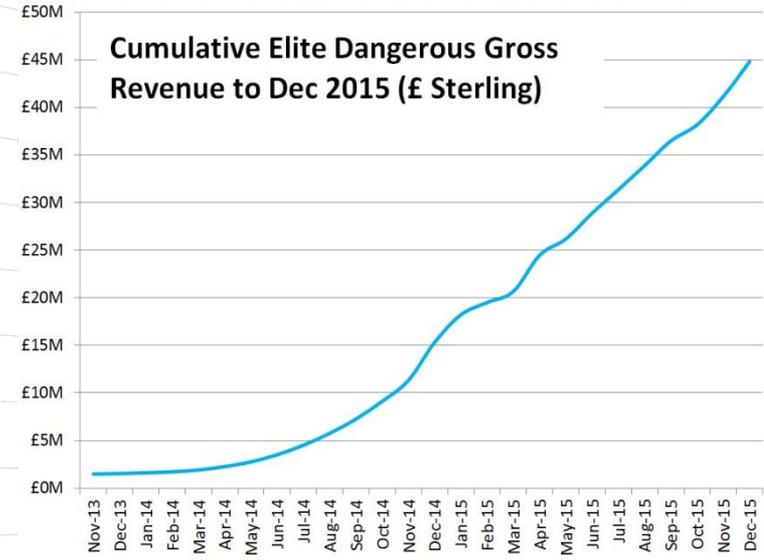
*February 2016
Interims Presentation*

High Level Summary

- **Good progress through transition**
 - Half the company already generating revenue
 - Second franchise release will mark the exit from transition in calendar Q4
- ***Elite Dangerous* franchise continues to grow, sold over 1.4m units**
 - Added Xbox One as a platform
 - New season (*Horizons*) now started
- ***Planet Coaster* gaining visibility as second self-published franchise**
 - 'Dev diaries' approach leading into early access
 - Release still on track for calendar Q4
- **Working with key industry partners to increase Frontier's reach**
 - Distribution relationship with Valve - Microsoft and Amazon now added



Elite Dangerous Progress



- **Elite Dangerous to date**

- 1.4m paid sales to end of December 2015
- Regular updates kept interest high
- Support for PC, Xbox Console, Mac and VR
- Frontier, Steam, Microsoft, Amazon sales platforms
- Better than expected price promotion in November

- **Elite Dangerous going forwards**

- Premium £40/\$60 price point addressed with *Horizons* bundle
- Further *Horizons* expansions announced
- Further seasons already being worked on
- Mid £20/\$30 price point addressed with season one



Planet Coaster progress

- Using experience from *Elite Dangerous* development to follow 'open development' trajectory
- **Announcement trailer and developer diary videos create awareness and interest**
 - Announcement trailer on stage at E3
 - Development diaries showing progression to our growing community
 - January 2016 videos and social media activities 'reach' was 1.5M people.
- **Announced that first Alpha code ships in March, with release in calendar Q4 2016**
 - Many new features and major step forwards from the current 'go to' coaster game – RollerCoaster Tycoon 3



Financial Performance

Six months to 30 Nov 2015, compared to six months to 30 Nov 2014:

- **Net cash £8.6m at 30 November 2015 [1H 14/15: £9.8m]**
- **Recognised revenue up 50% to £10.9m [1H 14/15: £7.3m]**
- **Profit/loss for period £0.4m [1H 14/15: (£1.9m)]**
- **EBITDA £2.1m [1H 14/15: £0.5m]**
- **Adjusted Operating Result (£1.7m) [1H 14/15: (£1.4m)]**
- **Earnings per share of 1.2p [1H 14/15: (5.7p)]**



Cash Flows

Group £m	H1 15/16	H1 14/15	FY 14/15
Operating cash flows before movement in working capital	2.3	0.8	7.0
Working capital	0.3	3.0	0.3
Cash generated from operations	2.6	3.8	7.3
Investing activities	(4.9)	(2.7)	(5.1)
Financing activities	0.3	0.2	-
Net change in cash and cash equivalents	(2.0)	1.3	2.2
Cash and cash equivalents at start of the period (May)	10.5	8.6	8.6
Foreign exchange	0.1	0.1	(0.3)
Cash and cash equivalents at end of the period	8.6	10.0	10.5



Summary

- Continuation of significant progress by executing the transition of the business in line with strategy
- Good performance from *Elite Dangerous*
- *Planet Coaster* on a good trajectory
- The PC platform now accounts for over 50% of total digital games market¹
 - \$32 billion of a \$61 billion worldwide market



Ownership Structure

Directors	
David Braben	50.3%
David Walsh	3.7%
Jonathan Watts	0.2%
David Gammon	0.9%
Jonathan Milner	1.9%
Board	57.0%
Lansdowne Partners	9.6%
Chris Sawyer	3.9%
Amati VCT	3.1%
EBT holding	0.5%
Other holders	25.9%
Free Float	43.0%



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Summary Income Statement

Group £m	H1 15/16	H1 14/15	FY 14/15
Revenue	10.9	7.2	22.8
Cost of sales	(3.1)	(0.4)	(2.2)
Gross profit	7.8	6.8	20.6
Selling and distribution expenses	(2.0)	(0.9)	(2.7)
Administrative expenses	(2.0)	(2.3)	(4.6)
Research and development expenses	(3.4)	(5.5)	(11.7)
Operating result	0.4	(1.9)	1.6
Result before taxation	0.4	(1.9)	1.6
EBITDA	2.1	0.5	6.1
Adjusted Operating result	(2.0)	(1.4)	2.5
Earnings per share (pence)			
Basic	1.2	(5.7)	4.9
Adjusted basis	1.1	(3.9)	4.7

Summary Cash Flow

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



Summary Balance Sheet

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