

DEVELOPING OUR BUSINESS TO ACHIEVE REPEATABLE SUCCESS

We invest our development resources in games with strong franchise potential. In order to maximise the return on our core skills and assets we target game genres where we have established expertise and intellectual property.

How we create and nurture our franchises



We continue to invest in our organisation to create a model of repeatable success. To accelerate our progress and increase the frequency of launches we are scaling up our organisation, not just in terms of staff numbers, but also in terms of leadership skills, training, organisational structure and process.

We are also investing in facilities. It is our belief that having all our people in Cambridge working together in a single building will maximise our operational effectiveness and efficiency, and in spring 2018 we will achieve this when we move into new office space on the Cambridge Science Park.

Our development focus is on PC and console titles, as together these segments represent the majority of the available market by revenue and generally the audiences on these platforms have valued games that exhibit Frontier's key development strengths.

We use online channels to create and engage with a fan-base or community during game development, which provides a valuable source of feedback and an enthusiastic community for each franchise before first release.

Our development process uses our proprietary COBRA development tools and technology to facilitate innovative features and the creation of top quality self-published games with strong differentiation for the PC and console audiences. Our control of this technology also removes risk related to ongoing access to third party licensed technology alternatives, risk relating to ability to fix uncovered problems in that technology and lack of control over the delivery dates and feature roadmap of such solutions. It also facilitates rapid response to market opportunities like support for virtual reality and augmented reality.

We continue to assess the distribution channels and platforms we use to achieve an optimal addressable audience for each game, and the monetisation strategy for each franchise. We participate in price promotions on each of the distribution platforms we use for each of our games as appropriate to its life-cycle stage, allowing us to reach the widest possible audience.

We also monitor the geographical performance of our franchises and will continue to look for opportunities to tailor our local price to

a level more appropriate to the local economy, as we did with Planet Coaster in China in February 2017. In particular we note the growing Chinese market for premium PC games. Importantly, the recent strategic investment in our business by Tencent will allow us to more easily take advantage of their unparalleled expertise and distribution capabilities in their home market for our franchises.

Major new releases will be key drivers of revenue. Because of the small number of franchises and relatively infrequent major releases Frontier is currently able to make, revenue is sensitive to the specific schedule of such releases and may therefore exhibit 'stepped' behaviour, as those new franchises are released. In the future, as we successfully scale the number and frequency of franchise releases, annual revenue growth should accelerate and our dependency on each major release should decrease.

CREATING AND MANAGING FRANCHISES

In order to maximise the return on our core skills and assets we target game genres on PC and console platforms where we believe we can both i) deliver high quality, differentiated offerings using our established expertise and intellectual property, and ii) have a strong chance of successful market entry, based on past experience or knowledge of that sector.

We use this repeatable model to invest our resources with the intention of creating world-class games with strong franchise

potential, and plan for strong post-launch franchise support to further help realise this potential.

We will continue to grow the capacity and capability of our organisation in both commercial and development areas in order to further the successful evolution of our franchises.

As part of this process, we will explore potential partnerships and licensing opportunities. We will also continue to

review potential acquisition targets that could augment our capacity or add new capabilities as well as IP that may help us achieve our goals.

We will endeavour to enhance and expand our franchises and grow their audiences using appropriate additional products, platforms, media, marketing, distribution channels and charging models through investing in the necessary people, organisation, resources and infrastructure.



ELITE DANGEROUS

Continuing to blaze a trail

Read more from page **08**



PLANET COASTER

Redefining a popular genre

Read more from page **10**



JURASSIC WORLD EVOLUTION

Building our own Jurassic World

Read more from page **12**

FUTURE FRANCHISES

We are already scaling up for the future so we can release new games more frequently whilst continuing to develop our existing franchises. As well as *Jurassic World Evolution* being in full production we are in the early stages of planning our next two, as yet unannounced franchises.

All future franchises will be selected using the same approach described above that was used for *Elite Dangerous*, *Planet Coaster* and *Jurassic World Evolution*. The use of external IP in *Jurassic World Evolution* does not imply that this will be the case for all our future franchises; we will continue to

review all possibilities to determine the optimum strategy for each franchise on a case-by-case basis. We are building a broad portfolio of franchises, each different to the last, and each with the capabilities to expand over time, as we have already seen with *Elite Dangerous* and *Planet Coaster*.



CONTINUING TO BLAZE A TRAIL

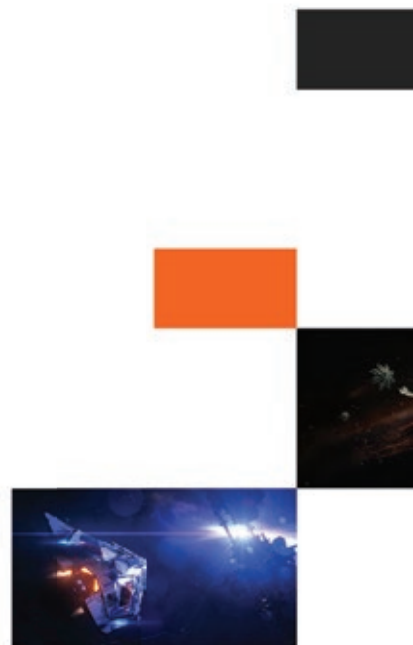
Elite Dangerous is now in its third year of full release. We have continued to release expansions in the *Elite Dangerous: Horizons* season, and corresponding updates to the original *Elite Dangerous* game, simultaneously on both PC and Xbox One platforms following the launch of Horizons on Xbox One in June 2016.

Simultaneous releases on all supported platforms is planned to continue going forward, including Sony's PlayStation 4 following the franchise's debut on the platform in June 2017, after the end of the financial year, which significantly expanded its addressable audience.

These updates add to the quality of the game, renew the interest of existing players, and also generate additional coverage resulting in new sales. The attach rate of *Elite Dangerous: Horizons* to the base game continues to grow steadily, helped by the regular updates.

Having the base game and *Horizons* seasons of expansions in the market covers mid-price entry to the franchise with an upgrade path, and we bundle the two together with in-game digital items to create a Deluxe edition for a premium price point entry. We believe each product in the franchise offers great value, and our further in-game monetisation avoids 'pay-to-win' game mechanics.

The *Elite Dangerous* franchise continues to perform strongly and we continue to focus on enhancements within the strategy of further improving perceived quality and sentiment, adding significant long-term new features and supporting the unique evolving player-driven story, which all players experience together. We expect to further expand the player base over the next financial year, adding new content and increasing the audience.



The Horizons season of expansions

Each expansion offers new headline gameplay features plus a large number of quality of life and other tweaks, fixes and improvements, and there is an accompanying '1.x' update to the base game.

The release of 2.4 'The Return' will complete the Horizons season of expansions. Horizons will continue to be sold as a substantial expansion product with all content available at the time of purchase.

2.0

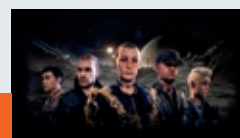


PLANETARY LANDINGS

DECEMBER 2015

Expanded gameplay to planetary surfaces for the first time.

2.1



THE ENGINEERS

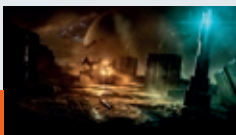
MAY 2016 (PC),

JUNE 2016 (XBOX ONE)

Added loot and crafting mechanics to the game to allow players to upgrade the performance of their ship and weapons.



2.2



THE GUARDIANS

OCTOBER 2016

Expanded the gameplay possibilities of each ship by adding ship-launched fighters.

2.3



THE COMMANDERS

APRIL 2017

Offered the ability for multiple players to crew a ship and represented player characters in game with sophisticated customisation options.

2.4



THE RETURN

SEPTEMBER 2017

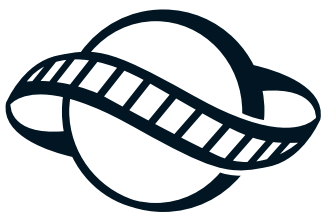
Supports the ongoing story arc related to Thargoids, the franchise's first alien species, and their interactions with humans in the *Elite Dangerous* galaxy.

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FUTURE DEVELOPMENT

ONGOING

We have announced that the 'season pass' business model will be superseded by an alternative after the release of 2.4 The Return.



PLANET COASTER®

REDEFINING A POPULAR GENRE

Planet Coaster was successfully launched in November 2016 after a short Beta period, achieving the global #1 position on the Steam distribution channel and continuing to sell strongly through the subsequent holiday period.

In accordance with our strategy we began to release free updates, each of which add headline features but also expand and improve different creative and management aspects of the game.

This update strategy is intended to further improve perceived quality and sentiment by adding significant long-term new features. Such updates add to the quality of the game, renew the interest of existing players, and also generate additional coverage resulting in new sales.

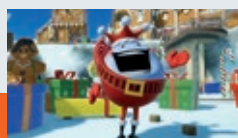


Continued expansion after a successful launch

In addition to major free expansions, in July 2017 we released our first paid downloadable content (PDLC) for *Planet Coaster*. As with *Elite Dangerous*, this follows an in-game monetisation model that avoids 'pay-to-win' mechanics. We will continue to expand *Planet Coaster's* PDLC offering, as we have with *Elite Dangerous*.

We believe *Planet Coaster* offers great value at its current price-point and we anticipate franchise revenue over multiple years, similar to that seen with our *RollerCoaster Tycoon 3* game from 2004 in the same genre.

1.1



WINTER UPDATE

DECEMBER 2016

In addition to new rides being added, there were further improvements to streamline management operations within parks, new scenarios, new shops, new transport rides and a new snowy winter theme.

1.2



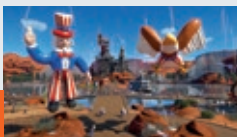
SPRING UPDATE

APRIL 2017

Added security guard staff members and go-karts tracked rides for players to use in their parks, along with more rides, coasters, scenarios and further management improvements, as well as doubling the maximum size of blueprints that can be shared via Steam workshop to 4,000 pieces.



1.3



SUMMER UPDATE

JUNE 2017

Added customisable firework displays and video billboards for players to place in their parks, as well as more rides, coasters, scenarios and further management improvements plus a new Stars and Stripes scenery set.

1.33

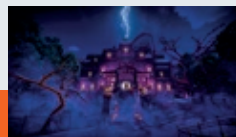


PAID DLC

JULY 2017

Released our first paid downloadable content (PDLC). As with *Elite*, this follows an in-game monetisation model that avoids 'pay-to-win' mechanics. We will continue to expand *Planet Coaster's* PDLC offering, as we have with *Elite Dangerous*.

1.38



SPOOKY PACK

SEPTEMBER 2017

A new pack to *Planet Coaster* that adds a host of Spooky-themed content. With everything from scenery pieces, new rides, special effects, animatronics,

and a new entertainer, the spooky pack gives *Planet Coaster* players even more freedom to create and share awe-inspiring parks.

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BUILDING OUR OWN JURASSIC WORLD

Our third franchise, *Jurassic World Evolution*, was identified using the same approach described above that we used for *Elite Dangerous* and *Planet Coaster*. Our original concept for *Jurassic World Evolution* would leverage our management and builder game expertise, plus our unrivalled expertise implementing believable in-game animals from games such as *Dog's Life*, *Kinectimals* and *Zoo Tycoon*. In this case we felt that being able to use the *Jurassic World* IP would significantly benefit awareness with the next film in the franchise to be released in June 2018, around the 25th anniversary of the original *Jurassic Park* film.

Jurassic World Evolution was announced in August 2017, for PC, Xbox One and PlayStation 4 and will be released in summer 2018.

Jurassic World Evolution evolves players' relationship with the *Jurassic World* film franchise, placing them in control of

operations on the legendary islands of Isla Nublar and the surrounding islands of the Muertes Archipelago. Players will create and manage their own *Jurassic World* as they bioengineer new dinosaur breeds, and construct attractions, containment and research facilities. Every choice leads to a different path, and spectacular challenges arise when 'life finds a way.'

Jurassic World Evolution will be Frontier's first self-published title (although not our first game) to debut on PC, PlayStation and Xbox simultaneously, and the first to benefit from such major marketing events in 2018 as the celebration of 25 years of *Jurassic Park* and the launch of the next film in the franchise, *Jurassic World: Fallen Kingdom*.

We will reveal more details about *Jurassic World Evolution* at FrontierExpo in London in October 2017, our first community event dedicated to all of Frontier's franchises.



About Jurassic World: Fallen Kingdom

With all of the wonder, adventure and thrills synonymous with one of the most popular and successful franchises in cinema history, this all-new motion-picture event sees the return of favourite characters and dinosaurs – along with new breeds more awe-inspiring and terrifying than ever before. Welcome to *Jurassic World: Fallen Kingdom*.

Stars Chris Pratt and Bryce Dallas Howard return alongside executive producers Steven Spielberg and Colin Trevorrow for Universal Pictures and Amblin Entertainment's *Jurassic World: Fallen Kingdom*.

Pratt and Howard are joined by co-stars James Cromwell, Ted Levine, Justice Smith, Geraldine Chaplin, Daniella Pineda, Toby Jones, Rafe Spall, while Jake Johnson, BD Wong and Jeff Goldblum reprise their roles.

Directed by J.A. Bayona (*The Impossible*), the epic action-adventure is written by *Jurassic World*'s director, Trevorrow, and its co-writer, Derek Connolly. Producers Frank Marshall and Pat Crowley once again partner with Spielberg and Trevorrow in leading the team of filmmakers for this stunning instalment. Belén Atienza joins the team as a producer.

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