



**SUMMARY OF THE  
GUILLEMOT CORPORATION GROUP'S POSITION  
DURING THE FISCAL YEAR ENDED DECEMBER 31, 2022**

## **1. POSITION OF THE COMPANY AND THE GROUP DURING FISCAL 2022**

2022 was a buoyant year for the Group: turnover grew 6% to €188 million, with Thrustmaster and Hercules posting growth of 5% and 39% respectively. Fourth-quarter 2022 turnover came in at €46.9 million, down 29% compared with the same period a year earlier, when racing wheel shipments were particularly strong ahead of the release of flagship game Gran Turismo 7. Despite this unfavorable base effect, the Group had its second best fourth quarter.

Sales outside France in 2022 totaled €170.9 million, accounting for 91% of total consolidated turnover.

- The Group's North American sales grew 10%, up from €49.9 million to €54.8 million.
- Group sales in the European Union and United Kingdom region held steady, down from €93.7 million to €93.5 million.
- Sales in other countries grew 19% over the period, up from €33.3 million to €39.7 million.

The Group posted net operating income of €34.2 million in 2022, compared with €33 million in 2021. Consolidated net income totaled €20.4 million, up from €13.7 million the previous year. This includes a financial loss of €7.4 million arising from a revaluation loss on the portfolio of Ubisoft Entertainment shares held by the Group.

Amid increasing competition and rising inflation, the Group maintained an accounting gross profit margin in excess of 54%.

Shareholders' equity stood at €104.4 million at December 31, 2022. The Group's financial structure is robust, with net debt negative at -€21.3 million at December 31, 2022 (excluding the portfolio of available-for-sale securities: €11.7 million), compared with a negative net debt position of -€5.2 million at December 31, 2021.

In 2021, the Group generated turnover of €3 million with Russia and Ukraine. Relevant trade receivables at February 24, 2022 totaled €0.9 million and there were no outstanding receivables in fiscal 2022.

In 2022, the Group worked hard to:

- maintain strong business momentum, with sales growing across all geographies and a strengthening trend in the Asia-Pacific region;
- maintain a good level of production throughout the year despite pressure on components and ensure that the supply chain continued to run smoothly;
- maximize sales of standard product ranges and successfully launch and establish key new Thrustmaster and Hercules products (particularly the *T248* racing wheel, the *TCA Yoke Pack Boeing Edition* and the *DJControl Mix* controller);
- adopt measures and put in place specific organizational arrangements to meet market demand and address the tight supply situation;
- benefit from strong momentum in the *DJControl Inpulse* range of controllers, which drove growth in the Hercules brand;
- ship volume direct to major customers, in particular leading global e-tailers, so as to better anticipate consumer demand;
- adapt and strengthen its global trade marketing capability to respond to the new challenges posed by e-commerce and the need to boost promotional visibility with its partners;
- step up its recruitment efforts and run sales promotions and marketing campaigns to drive business growth;
- develop its dedicated Amazon team;
- boost production capacity in China and begin production in Western Europe;
- work with game developers to maintain strong momentum;
- maximize the potential of new products;
- anticipate logistics lead times to maintain product flows.

Supply chain pressures and shortages of electronic components and raw materials were less pronounced in 2022.

### **1.1. Thrustmaster news**

In 2022, Thrustmaster:

- Released the *T128*, the most affordable force feedback racing wheel in the market. Unveiled at the 2022 Paris Motor Show, this entry-level racing wheel, designed for gamers who want to get into racing simulation, uses the same Hybrid Drive technology as its big brother, which combines belt and gear mechanisms to deliver 20% more force feedback than the previous Thrustmaster *T150* and *TMX* models. With controlled force feedback, an LED display and magnetic paddle shifters and pedals, the *T128* racing wheel delivers unparalleled performance at an ultra-competitive price, making it a must-have accessory for anyone looking to get into sim racing.

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- Launched the *T818*, a high-end, next-generation PC racing wheel equipped with Direct Drive technology, which has achieved early success in terms of its positioning and the intense racing experience it delivers.
- Brought to market the Xbox Series X|S and Xbox One version of the *T248* racing wheel.
- Launched the *ESWAP S PRO CONTROLLER*, which garnered numerous rave reviews. This advanced adjustable gamepad is designed for competitive gamers seeking a high level of precision and responsiveness when playing with Xbox Series X|S, Xbox One and PC.
- Launched the base version of the *TCA Yoke Boeing Edition* officially licensed by Boeing and continued to establish the *TCA Yoke Pack Boeing Edition* inspired by the iconic Boeing 787 Dreamliner.
- Launched the *TCA Sidestick X Airbus Edition* civil aviation joystick for Xbox Series X|S consoles, officially licensed by Airbus. This new version includes all of its predecessor's key features and adds a redesigned base, an enhanced throttle offering increased comfort, and new touch buttons for an immersive flying experience. It has been rethought to offer improved stability and connectivity, including two USB-A ports for connection to the ecosystem of accessories, one USB-C port for power and a jack socket to connect the headset. It can easily be switched between Xbox and PC at the touch of a button. It comes with a one-month Xbox Game Pass Ultimate, which includes Xbox Live Gold and access to over a hundred high-quality games. Subscribers can play games like Microsoft Flight Simulator with their friends on console or PC and sign up for an EA Play subscription.
- For the first time attended the Paris Motor Show in mid-October, where it rubbed shoulders with key players in the automotive industry.
- Partnered with a number of prestigious global eSports competitions such as GT World, the Le Mans Esports Series and the Ferrari Esports Series.

The resumption of live exhibitions meant Thrustmaster was able to once again attend these events and reconnect with its enthusiastic community of gamers.

#### 1.1.1. Racing wheels and accessories

In 2022, the US racing wheel market grew 10.9% by value to \$127.8 million. Sales of Thrustmaster racing wheels declined 5.28% by value.

In the top five European countries of France, Germany, the United Kingdom, Italy and Spain, the racing wheel market grew 4.6% by value to €165.4 million.

Thrustmaster is the number one player in racing wheels, with a market share by value of 30.7%, up 3.4 percentage points.

#### 1.1.2. Gamepads

Through its *ESWAP* range, Thrustmaster offers a comprehensive and upgradeable ecosystem of professional gamepads for eSports players, including color and customization kits and the free ThrustmapperX app.

Thrustmaster continues to establish its *ESWAP* brand within the Trackmania and Rocket League communities. For the second year running, Thrustmaster was official supplier to the Trackmania Cup, held in June 2022. With more than 15,000 spectators and 180,000 viewers on Twitch watching the end of this competition on one of France's biggest stages after a very tight semi-final round and a breathtaking final, the duo of Thrustmaster ambassador Gwen and Affi from the BDS team won the 2022 Trackmania Cup.

The US gamepad market was more or less stable in 2022, growing 1.5% by volume and declining 0.55% by value.

In the top five European countries, the gamepad market grew 18% by value. Sales of Thrustmaster gamepads grew 18% by value and 30% by volume.

#### 1.1.3. Flight simulation accessories

2022 was a particularly busy year for flying accessories. One of the highlights of the second quarter of 2022 was the May 25 release of the global hit film "Top Gun: Maverick", with Microsoft releasing a new DLC pack for its Flight Simulator game. Thanks to its partnership with Microsoft, the Group was able to run a promotional campaign that boosted joystick sales.

The Group is number one in the flight simulation accessories market in both Europe and the United States.

Thrustmaster had another busy year in the eSports arena, participating in a number of events. The Group took part in numerous air shows and simulation events in the second half of 2022. At the Royal International Air Tattoo, which attracted more than 120,000 spectators, the Group supported the Virtual Red Arrows at the Royal Air Force's eSports stand.

In mid-November 2022, Thrustmaster took part in the second *Congrès de la Chasse* event at the National Air and Space Museum in Le Bourget. With over a hundred fighter pilots and astronauts in attendance, Thrustmaster ran a number of activities based around flight simulation and aerial combat.

Thrustmaster is constantly working to expand its range of joysticks and broaden its appeal.

Since launch, the *TCA Airbus Edition* range has established itself as a benchmark in PC-based civil aviation simulation. Thrustmaster is proud to now offer the Xbox-compatible *TCA Sidestick X Airbus Edition* and *TCA Captain Pack X Airbus Edition*.

In early November 2022, the new *TCA Airbus Edition* range for Xbox Series X|S and PC was introduced on the Xbox stand at Paris Games Week. The event gave amateurs the opportunity to try out the new *TCA Captain Pack X Airbus Edition* on Microsoft Flight Simulator 2020 on the day of its worldwide release.

In 2022, the US joystick market grew 61.6% by value to \$36.2 million. Thrustmaster was number one by both value and volume, strengthening its position in this segment.

In the top five European countries, the joystick market grew 7.4% by value (to €29.6 million) and 6.7% by volume. Thrustmaster was number one by both volume and value.

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#### 1.1.4. Headsets for online gaming

Thrustmaster did not release any new products in this category in 2022.

#### 1.1.5. eSports

Thrustmaster is very well placed in the eSports market and remains highly active in this field.

##### 1.1.5.1. eSports racing

In March 2022, the Ferrari Esports Series 2022 launch event provided excellent visibility for Thrustmaster (in particular, VIPs were able to try out the *Formula Wheel Add-On Ferrari SF1000 Edition* and the *T.Racing Scuderia Ferrari Edition-DTS* headset). Thrustmaster has renewed its partnership for the forthcoming season, which will include both a new format and new geographical regions (North America as well as Europe) and will use new games (*Assetto Corsa Competizione* as well as *Assetto Corsa*).

Thrustmaster is official partner of the *FIA Rally Star* program to spot future real-life rally stars for the Fédération Internationale de l'Automobile (FIA). The program and partnership are global in scope and run for several years.

At the last Canadian Grand Prix, held in Montreal on June 19, 2022, Thrustmaster provided racing simulators for use on a number of exhibition stands, to the delight of F1 fans attending the race.

To cater for the release of the *F1@22* racing game in July 2022, the Group put in place an action plan to meet strong demand for accessories such as the *Formula Wheel Add-On Ferrari SF1000 Edition* racing wheel. The Group's partner Motorsport Games played a very active role at the 24 Heures du Mans competition on June 11 and 12, 2022, making eight Thrustmaster racing simulators available for on-site use during the Le Mans virtual competition. With more than 1,500 people taking part, the event was a big success. Thrustmaster is official partner of the Le Mans Virtual Challenge, where the brand supplied equipment for use in the competition including eight simulators equipped with the *TS-XW* servo base, the *TM Open Wheel Add-On*, the *T-LCM Pedals* and the *T.Racing Scuderia Ferrari Edition-DTS* headset.

In early November 2022, Thrustmaster partnered with Xbox at the Paris Games Week. Its stand showed off the *ESWAP* range, the *T128* racing wheel and the newly launched *TCA Captain Pack X Airbus Edition*.

##### 1.1.5.2. eSports flying

In July 2022, Thrustmaster attended the Royal International Air Tattoo 2022 at the RAF Fairford air base (in Gloucestershire), 90 minutes from London. With more than 170,000 visitors, this event is the world's largest military air show.

## 1.2. Hercules news

In 2022, Hercules:

- announced two new future versions of its software: *DJUCED® PRO* and *DJUCED® PRO+*;
- launched its *DJControl Inpulse 300 MK2* controller;
- launched the exclusive *DJControl Mix Blue Edition* console for the Amazon US website on October 15, 2022 and the exclusive edition on Amazon Europe on November 15, 2022.

With rapid growth in livestreaming and challenges linked to copyright, Hercules is developing a range of services to offer both beginners and more advanced DJs the most comprehensive experience.

### 1.2.1. DJ controllers

In 2022, Hercules launched *Hercules DJControl Mix*, the very first ultra-compact DJ controller dedicated to mixing tracks on smartphone. Linked with Algoriddim djay, one of the world's most popular DJ apps for iOS and Android, the controller quickly attracted thousands of users all over the world. With the product making a splash on TikTok and receiving praise from DJs and content creators, Hercules went even further by launching a color collection: *DJControl Mix Blue Edition* and *DJControl Mix Orange Edition*.

The *DJControl Mix* controller is also now available from Apple Premium resellers in China, where it can be found at a number of retailers.

To meet the expectations of consumers looking for music to help them get started in DJing and royalty-free tracks they can freely use in their mixes, Hercules offers new tracks produced by the brand each month through *Hercules Official Music*, now celebrating its first year.

Fresh from the success of its *DJControl Inpulse* range, Hercules is proud to have joined forces with Serato to launch a new version of its best-selling *DJControl Inpulse 300*: the *DJControl Inpulse 300 MK2*.

### 1.2.2. DJUCED software

Now in version 5.3, DJUCED is regularly updated to ensure it continues to meet users' needs.

In 2022, the DJUCED® team marked its tenth birthday by announcing two new future versions of the software: *DJUCED® PRO* and *DJUCED® PRO+*.

## 2. GROUP RESULTS

Key figures from Guillemot Corporation's consolidated financial statements for the fiscal year ended December 31, 2022 are as follows:

(€m)	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020
Turnover	188.0	176.8	120.6
Net income from ordinary activities	34.2	33.0	19.0
Net operating income	34.2	33.0	23.1
Net financial income*	-6.7	-16.4	7.4
Consolidated net income	20.4	13.7	29.8
Basic earnings per share	€1.35	€0.90	€1.95
Shareholders' equity	104.4	90.4	79.7
Net debt (excl. AFS securities)**	-21.3	-5.2	-18.2
Inventories	57.2	40.9	20.6
Intangible assets	23.3	16.2	15.4
Current financial assets (AFS securities portion)	11.7	19.1	35.0

\* Financial income includes the cost of net financial indebtedness, as well as other financial expenses and revenues.

\*\* Available-for-sale (AFS) securities are not taken into account when calculating net debt.

Consolidated annual turnover in fiscal year 2022 totaled €188.0 million, up 6% year on year. Net income from ordinary activities came in at €34.2 million, compared with €33.0 million in the year to December 31, 2021.

Net operating income came in at €34.2 million, compared with €33.0 million in 2021.

The net financial expense of €6.7 million included a €7.4 million revaluation loss on current financial assets (available-for-sale securities) consisting of Ubisoft Entertainment shares, compared with a €15.9 million revaluation loss in 2021.

Net profit for the year came in at €20.4 million, compared with €13.7 million in 2021, after taking into account a €7.2 million tax expense in the year.

Current financial assets totaled €11.7 million at December 31, 2022, consisting of 443,874 Ubisoft Entertainment shares.

Net debt excluding available-for-sale (AFS) securities was negative at -€21.3 million.

Shareholders' equity increased from €90.4 million to €104.4 million.

### ▪ Turnover by business segment

(€m)	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020
<b>Hercules</b>	<b>12.5</b>	<b>9.0</b>	<b>8.0</b>
Standard product lines	12.2	8.1	7.2
OEM*	0.3	0.9	0.8
<b>Thrustmaster</b>	<b>175.5</b>	<b>167.8</b>	<b>112.6</b>
Standard product lines	175.5	167.8	112.6
OEM	0.0	0.0	0.0
<b>TOTAL</b>	<b>188.0</b>	<b>176.8</b>	<b>120.6</b>

\* Accessories developed for third party companies (Original Equipment Manufacturers).

### ▪ Turnover by geographical region

(€m)	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020
European Union	93.5	93.6	61.1
North America	54.8	49.9	35.4
Other	39.7	33.3	24.1
<b>TOTAL</b>	<b>188.0</b>	<b>176.8</b>	<b>120.6</b>

### ▪ Net operating income by business area

(€m)	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020
Hercules	0.2	0.0	-0.2
Thrustmaster	34.0	33.0	23.3
<b>TOTAL</b>	<b>34.2</b>	<b>33.0</b>	<b>23.1</b>

### **3. INFORMATION ABOUT THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS**

#### **3.1. Income statement**

During the fiscal year, the Group generated consolidated turnover of €188,047k excluding taxes.

The main operating expenses were purchases totaling €105,063k.

External expenses of €31,931k mainly consisted of transportation, advertising and marketing costs.

Employee expenses totaled €14,422k, while additions to amortization, depreciation and provisions totaled €7,650k.

Taxes and duties totaled €806k and other income and expenses netted out at a €12,485k expense.

Net income from ordinary activities totaled €34,243k.

Net operating income came in at €34,243k.

The cost of net financial debt was €35k and other financial income and expenses netted out at a €6,691k expense, including a €7,395k revaluation loss on the Group's holding of Ubisoft Entertainment shares.

After taking into account these items and a €7,235k tax expense, the Group posted net income of €20,352k.

Basic earnings per share came out at €1.35.

#### **3.2. Balance sheet**

Non-current assets consisted of €23,276k in net intangible assets, €8,184k in net property, plant and equipment, €668k in financial assets, €495k in tax assets and €4,267k in deferred tax assets.

Current assets included the following items:

- Inventories with a net value of €57,203k, taking into account €2,261k in impairment charges
- Trade receivables with a net value of €34,743k, with no provisions for doubtful accounts
- Other receivables with a net value of €4,079k, mainly consisting of receivables in relation to value added tax and advances and progress payments made
- Financial assets totaling €11,723k and cash and cash equivalents totaling €35,245k

Shareholders' equity stood at €104,405k.

Non-current liabilities totaled €9,945k, including borrowings of €8,345k.

Current liabilities totaled €65,851k, including €5,636k in foreign currency borrowings and advances.

The Group's operating cash flow after the cost of financial debt in fiscal year 2022 totaled €35,041k.

The Group's working capital increased by €1,943k in fiscal year 2022 as a result of a significant increase in inventories.

Cash flows from investing activities consisted of capitalized research and development costs and equipment used in the production of new products.

Cash flows from financing activities included new medium-term loans taken out in the third quarter of the year to finance new research and development projects and changes in working capital.

### **4. INFORMATION ABOUT GUILLEMOT CORPORATION S.A.'S FINANCIAL STATEMENTS**

#### **4.1. Income statement**

Guillemot Corporation S.A. generated turnover of €174,820k in the fiscal year.

Operating income totaled €188,251k.

The main operating expenses were purchases consumed totaling €90,318k and external expenses of €47,105k.

External expenses mainly consisted of subcontracting costs, development costs, and transportation, advertising and marketing costs.

Taxes and duties and employee expenses totaled €813k and other expenses came in at €17,036k.

Additions to amortization and depreciation totaled €2,964k.

Additions to provisions for current assets totaled €755k.

The company recognized a €710k provision for product returns.

Net operating income (total operating income less total operating expenses) came in at €28,131k.

Taking into account net financial income of €4,820k, a net non-recurring expense of €6k and a corporate income tax expense of €3,887k, net income totaled €29,059k.

Financial income may be broken down as follows:

Foreign currency translation adjustments:	€616k
Interest income and expenses:	€103k
Net income from disposals of AFS securities:	€90k
Additions to and reversals from provisions:	€4,191k

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Interest income mainly consisted of €130k in interest from bank investments and other financial products, €8k in current account interest and €29k in respect of a current account advance to subsidiary Guillemot GmbH (Germany) with a clawback provision, which was reinstated in the balance sheet after having been waived by the parent company in 2004.

Financial expenses mainly consisted of €43k in interest charges on borrowings and bank balances and €21k in current account interest charges.

Net income from disposals of treasury shares under the liquidity agreement in force totaled €90k.

Reversals of impairment on shares of subsidiaries totaled €4,165k, while reversals of provisions on current account advances totaled €29k.

Additions to provisions for shares of subsidiaries totaled €3k.

Key interim management figures are as follows:

Production in the year:	€181,200k
Value added:	€43,837k
Earnings before interest, tax, depreciation and amortization:	€43,024k

## **4.2. Balance sheet**

Net fixed assets totaled €38,002k, consisting of €18,637k in intangible assets, €3,303k in property, plant and equipment and €16,062k in non-current financial assets.

Intangible assets included development costs with a net value of €8,522k.

The net value of inventory stood at €48,527k.

Trade receivables totaled €28,106k, taking into account €775k in intra-group impairment charges.

Other receivables with a net value of €1,969k mainly consisted of current account advances to subsidiaries with a net value of €154k, tax receivables totaling €1,561k and credit notes receivable totaling €254k.

The net value of available-for-sale securities totaled €7,158k, consisting of 31,132 treasury shares with a net value of €391k and 443,874 Ubisoft Entertainment S.A. shares with a purchase cost of €6,767k.

Shareholders' equity totaled €94,390k.

## **5. STRATEGY AND OBJECTIVES OF THE COMPANY AND THE GROUP**

The Group intends to maintain its leading position in flying accessories and is working to grow its market share in racing accessories.

To this end, while continuing to shift its offering for racing enthusiasts further upmarket thanks to its Direct Drive technology range, the Group has expanded its range to offer more consumers the opportunity to enjoy the benefits of Force Feedback thanks to more affordable racing wheels equipped with this technology.

An innovative new gamepad offering has strengthened and secured the Group's positioning in this segment. Thrustmaster is preparing to launch an offering in a new market segment.

In music products, Hercules is set to diversify its offering by launching a range of products in a new segment.

The Group has created a Corporate Social Responsibility (CSR) team and is taking action in the area of green energy to improve its carbon footprint.

## **6. FORESEEABLE CHANGES IN THE POSITION OF THE COMPANY AND THE GROUP**

For fiscal year 2023, the Group expects to deliver turnover of around €140 million and is targeting a net operating profit.

These forecasts are based on the following key assumptions:

- Assumptions about factors under the influence of the Group's management bodies:
  - Implementation and success of the Group's strategy as set out in section 5
  - Continued investment to build added value
- Assumptions about factors outside the influence of the Group's management bodies:
  - No marked deterioration in consumer spending or the video games market in the second half of the year
  - No further deterioration in the public health or supply chain situation
  - Commercial success of the Group's new products
  - Release of new racing games in the second half of the year

## **7. INFORMATION ABOUT GUILLEMOT CORPORATION S.A.'S SHARE CAPITAL**

At the most recent balance sheet date of December 31, 2022, the share capital stood at €11,771,359.60, made up of 15,287,480 ordinary shares with a par value of €0.77 each.

There were no changes in the share capital during the fiscal year ended December 31, 2022.

At December 31, 2022, the Guillemot family group directly and indirectly held 67.50% of the share capital and 79.45% of voting rights exercisable at shareholders' general meetings.

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At December 31, 2022						
Shareholder	Number of shares	% of capital	Number of theoretical voting rights	% of theoretical voting rights	Number of voting rights exercisable at shareholders' general meetings	% of voting rights exercisable at shareholders' general meetings <sup>(1)</sup>
GUILLEMOT BROTHERS SAS <sup>(2)</sup>	2 236 122	14,63%	2 236 122	9,56%	2 236 122	9,66%
Claude Guillemot	1 227 087	8,03%	2 451 661	10,49%	2 451 661	10,59%
Michel Guillemot	1 056 569	6,91%	2 110 628	9,03%	2 110 628	9,12%
G�rard Guillemot	986 246	6,45%	1 969 982	8,43%	1 969 982	8,51%
Yves Guillemot	678 170	4,44%	1 353 830	5,79%	1 353 830	5,85%
Christian Guillemot	611 097	4,00%	1 219 684	5,22%	1 219 684	5,27%
Other members of the Guillemot family <sup>(4)</sup>	3 524 738	23,06%	7 049 476	30,15%	7 049 476	30,45%
<b>Together</b>	<b>10 320 029</b>	<b>67,50%</b>	<b>18 391 383</b>	<b>78,66%</b>	<b>18 391 383</b>	<b>79,45%</b>
Treasury shares <sup>(3)</sup>	232 132	1,52%	232 132	0,99%	0	0,00%
Free float	4 735 319	30,98%	4 757 125	20,35%	4 757 125	20,55%
<b>TOTAL</b>	<b>15 287 480</b>	<b>100,00%</b>	<b>23 380 640</b>	<b>100,00%</b>	<b>23 148 508</b>	<b>100,00%</b>

(1) Some of the shares held by members of the Guillemot family carry double voting rights.

(2) Wholly controlled by members of the Guillemot family.

(3) Treasury shares with no voting rights.

(4) Spouses and descendants of Messrs. Claude, Michel, Yves, G rard and Christian Guillemot, none of whom individually holds 5% or more of the company's share capital or voting rights.

Since the balance sheet date, the Board of Directors decided at its meeting of January 25, 2023 to cancel 200,000 shares, thus reducing the share capital by  154,000. With effect from January 25, 2023, the share capital stands at  11,617,359.60, made up of 15,087,480 shares with a par value of  0.77 each.