

2019 FIRST-HALF TURNOVER

Unaudited data (in € millions) January 1, 2019 – June 30, 2019	2019	2018	Change
Second quarter			
Thrustmaster gaming accessories ranges	11.3	14.9	-24%
Thrustmaster total	11.3	14.9	-24%
Hercules digital devices	0.6	0.4	+50%
OEM*	0.3	0.2	+50%
Hercules total	0.9	0.6	+50%
Total	12.2	15.5	-21%
Q1 + Q2 total			
Thrustmaster gaming accessories ranges	23.6	30.9	-23%
Thrustmaster total	23.6	30.9	-23%
Hercules digital devices	1.6	1.1	+45%
OEM*	0.3	0.2	+50%
Hercules total	1.9	1.3	+46%
Total	25.5	32.2	-21%

* Accessories developed to accompany products of third-party companies (*Original Equipment Manufacturer*).

The Group's turnover for the first half of fiscal 2019 amounted to €25.5 million.

Hercules achieved good growth of 46% over the year's first half, thanks in particular to sales of its new DJing range over the period.

Thrustmaster was down 23% over the first half of the year, with the contraction mainly due to the inventory level of racing wheels in the distribution channel. Sales of joysticks, however, grew strongly.

The Group has undertaken a number of commercial actions to boost sales — in stores and with regard to online retailers, both in the United States and in Europe — in order to reduce inventory levels among wholesalers. These actions have borne fruit, with inventory levels in the distribution channel on track to return to normal in the lead-up to the Group's peak season.

Commercial developments

The launch of officially-licensed Ace Combat™ 7 joysticks in January helped to achieve the strong increase in sales in this category. Thrustmaster's sales in China continue to grow quickly and, in conjunction with 70% growth in Japan, strengthen the Group's momentum in Asia. In the United States, Thrustmaster saw double-digit growth in terms of sales of its products to consumers over the period.

The Group is continuing to pursue its policy of signing distribution agreements — in particular with Ingram in France, the United Kingdom and the Benelux countries.

A steady crop of games over the second half of the year

The picture in terms of game releases has considerably improved in recent months, with the announcement of a number of games likely to positively impact sales of racing wheels to be launched between now and the end of the year on both the PlayStation®4 and Xbox One® consoles, as well as on PC: *F1® 2019* (Formula 1 simulation, released on June 28), *FLA European Truck Racing Championship* (truck racing simulation, released on July 18), *TRUCK DRIVER* (the very first truck driving simulation available for game consoles, set to launch on September 19), *WRECKFEST* (stock car simulation, very physically-oriented and addictive, set to launch on August 27), *WRC 8* (the new gold standard in rally simulation, due out

in September), and of course the very highly-anticipated *GRID* (mainstream simulation covering all racing styles, set to launch on October 11). All of these highly varied and anticipated games will create good momentum in terms of sales of racing wheels. With respect to flight simulation, the games *Rebel Galaxy Outlaw* (an arcade space shooter) and *In the Black* (space combat for hardcore gamers) will hit the market during the third quarter of 2019.

Backward compatibility

The game console manufacturer Microsoft announced the backward compatibility of its future console with existing gaming accessories and games. This backward compatibility will help to overcome hesitation on the part of consumers in terms of purchasing accessories in this transitional year before the arrival of the new console. Thrustmaster's current racing wheels compatible with Xbox One® (*Ferrari 458 Spider Racing Wheel*, *TS-XW Racer Sparco P310 Competition Mod*, *TS-XW Racer Sparco P310 Competition Mod*, *TMX PRO* and *TX Racing Wheel Leather Edition*), along with its official *T. Flight Hotas One Ace Combat 7 Limited Edition* joystick, will all be compatible with the future Xbox console.

Thrustmaster

- **e-Sports**: Over the period, Thrustmaster signed strong new partnerships in this segment: in late March, the brand teamed up with the *Jean Alesi eSports Academy*, whose goal is to promote sim racers with a high degree of potential. In mid-June, Thrustmaster confirmed its association with the *Le Mans Esports Series (LMES)*, the official e-Sports competition of 24 Hours of Le Mans, the FIA World Endurance Championship and Motorsport Network, and is using its expertise to help make the competitions even more immersive and realistic.
- **Racing range**: In late May, Thrustmaster announced the pairing of two of its flagship products officially licensed by Ferrari (the *T.Racing Scuderia Ferrari Edition* gaming headset and the *Ferrari F1 Wheel Add-On* detachable wheel) — to be marketed as the *Scuderia Ferrari Race Kit*, to coincide with the launch of the game *F1™ 2019*. Thrustmaster is working on a range of new pedal sets to meet the needs of the community of racers, and further add to its racing ecosystem.
- **Flight simulation**: The launch of the *T. Flight Hotas ACE COMBAT™ 7: SKIES UNKNOWN* joystick during the first half of the year was a real success in Japan, with a potential media audience of more than 200 million views (various appearances both online and offline), combined with a marketing launch on an international level. At FlightSimExpo 2019 in Orlando, Florida in early June, attendees had the opportunity to try out the new *F/A-18C Hornet™ HOTAS Add-On Grip* joystick, inspired by the real flight stick in the actual combat jet and developed under official license from Boeing. The American website www.wargamer.com described it as a joystick “*which provides one of the best tactile sensations I've ever experienced in a virtual environment.*”
- **Gamepads**: As announced previously, Thrustmaster is preparing for the launch of new gamepads. Strategically focused with a view to e-Sports, the PRO gamepad will be launched by the end of the year with the goal of allowing for enhanced performance in all competitions, with major innovations for gamers.

Hercules

On a global scale, Hercules has worked effectively with SERATO, the New Zealand-based publisher of music software and a very highly-regarded brand among professional DJs, to promote *Mix on the Move* use of its *DJControl Starlight* controller, which features the software.

Prospects

The Group is maintaining its forecast of turnover between €70–€75 million for fiscal 2019, along with positive operating income.

Guillemot Corporation is a designer and manufacturer of interactive entertainment hardware and accessories. The Group offers a diversified range of products under the *Hercules* and *Thrustmaster* brand names. Active in this market since 1984, the Guillemot Corporation Group is currently present in 11 countries (France, Germany, Spain, the UK, the United States, Canada, Italy, Belgium, China, Hong Kong and Romania) and distributes its products in more than one hundred countries worldwide. The Group's mission is to offer high-performance, ergonomic products which maximize the enjoyment of digital interactive entertainment for end users.

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