

Q3 2019 TURNOVER

Unaudited data (in € millions)			
January 1, 2019 – September 30, 2019			
	2019	2018	Change
<u>Third quarter</u>			
Thrustmaster gaming accessories ranges	20.1	26.4	-24%
Thrustmaster	20.1	26.4	-24%
Hercules digital devices	1.1	1.2	-8%
OEM*	0.0	0.2	-
Hercules	1.1	1.4	-21%
Total	21.2	27.8	-24%
<u>Cumulative (9 months)</u>			
Thrustmaster gaming accessories ranges	43.7	57.3	-24%
Thrustmaster	43.7	57.3	-24%
Hercules digital devices	2.7	2.3	17%
OEM*	0.3	0.4	-25%
Hercules	3.0	2.7	+11%
Total	46.7	60.0	-22%

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

The Group's turnover for the third quarter of fiscal 2019 amounted to €21.2 million.

Over the first nine months of the year, Hercules progressed by 11%, while Thrustmaster's turnover was down in line with the year's previous quarters, mainly due to the continued reduction of inventory held by some distributor partners.

The Group has achieved good growth in the segment for joysticks and new gamepads, even though lower invoicing in terms of racing wheels has continued to impact its results over this half of the year.

Good sales momentum in the export and Asia-Pacific regions, however, has not been able to compensate for lower sales in North America and Europe.

Thrustmaster developments

- Successful launch of the first professional-grade gamepads: Since the announcement on October 7 of Thrustmaster's new eSwap Pro Controller, this gamepad featuring a completely new concept has been very enthusiastically received by the public, the specialized press and social media, setting records in terms of popularity. The gamepad's dedicated website has seen the largest audience and media coverage ever achieved on the Thrustmaster platform. This gamepad — officially licensed by Sony for PlayStation®4 and designed to meet the needs of ranked gamers who live for competition — features a vast ecosystem of different modules and packs allowing users to improve their performance. The www.newsbeez.com website wrote that the "Thrustmaster eSwap Pro Controller is currently one of the best pads for PlayStation 4." The Spanish YouTuber GENUINE993 said that the gamepad represents "the future of controllers for consoles and PC." The French website www.jeuxvideo.com, a leading media site for video games, published a very detailed review of the controller on October 16 and gave it a score of 17 out of 20 — the best score given to a controller.

- eSports: At the 2019 *eSports WRC World* finals in late September in Barcelona, Thrustmaster saw three of its champions take to the podium. The driver sponsored by Thrustmaster, Kamil Franczak, also won the finals of the new eSports competition on PC — the *SRO E-Sport GT Series* in Barcelona.

Hercules developments

Buoyed by the success of its speakers, in late September Hercules announced its latest product: the *DJSpeaker 32 Smart* Bluetooth monitoring speakers for mixing. Connected via *Bluetooth®* wireless technology, these speakers are perfect for getting started as a DJ. Small in size and easy to transport, they are also notable for their sound quality and power. After having launched its new range of *DJControl Impulse* controllers with the *DJControl Impulse 300* model (which received the prestigious Innovation Award at CES Las Vegas 2019), Hercules has announced the launch of two packs aimed at beginner DJs looking for an all-in-one solution to help them learn how to master the art of DJing. At the China Music Expo trade show held October 10–13 in Shanghai, Hercules' booth was a real success, resulting in numerous articles in the press and followers on Hercules' Chinese social media. The *DJControl Impulse* controllers are off to a promising start in the Chinese market.

Financial standing at September 30, 2019

At September 30, 2019, the Group's net indebtedness excluding Marketable Investment Securities stood at €16.2 million. The Group's MIS portfolio, composed of 443,874 Ubisoft Entertainment securities, was valued at €29.4 million.

Prospects

Taking into account the continued reduction of inventory among distributors as well as the latest known elements, the Group now forecasts turnover between €60–65 million for fiscal 2019, and anticipates negative operating income. On a commercial and marketing level, the Group's teams are preparing new products for 2020 — which is looking promising for the video game market with the launches of the new Sony PlayStation®5 and Microsoft Xbox Project Scarlett consoles, which will give a new boost to video game accessories.

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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