



Carentoir, January 30, 2020

2019 ANNUAL CONSOLIDATED TURNOVER

Unaudited data (in € millions) From January 1 to December 31, 2019	<u>2019</u>	<u>2018</u>	<u>Change</u>
<u>Annual turnover</u>			
Thrustmaster gaming accessories product lines	56.2	76.8	-27%
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Hercules digital peripheral devices	4.1	3.7	+11%
OEM*	0.6	0.7	-14 %
Hercules	4.7	4.4	+7%
Total	60.9	81.2	-25%
<u>Fourth quarter</u>			
Thrustmaster gaming accessories product lines	12.5	19.5	-36%
Thrustmaster	12.5	19.5	-36%
Hercules digital peripheral devices	1.4	1.4	-
OEM*	0.3	0.3	-
Hercules	1.7	1.7	-
Total	14.2	21.2	-33%

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

The Guillemot Corporation Group's turnover for fiscal 2019 amounted to €60.9 million, down 25% from the previous fiscal year.

Thrustmaster's turnover was down by 27%, mainly due to the reduction of retail inventories, particularly in the United States over the fourth quarter with the move by a major e-commerce player to focus on direct supplies of the brand's products.

At the same time, over the year as a whole, sales of Thrustmaster joysticks to consumers grew by 19% in value in the United States (*Source: The NPD Group, Inc., January 2020 extract*) and by 11% in the five major European countries (France, Germany, the United Kingdom, Italy and Spain) (*Source: @GFK 2020, January 2020 extract*). Sales of Thrustmaster racing wheels to the public, however, were down by 4.6% in value in the United States (*Source: The NPD Group, Inc., January 2020 extract*) and by 4% in Europe (*Source: @GFK 2020, January 2020 extract*).

Hercules achieved growth of 7%, doubling its sales in the United States.

Thrustmaster developments

2019 saw strong positioning for Thrustmaster in the gamepads market, good momentum created for the brand's joysticks thanks to the Ace Combat™ 7 partnership signed early in the year, and fewer deliveries of racing wheels.

➤ **Gamepads:** Thrustmaster unveiled a new range of particularly innovative gamepads with the successful launch of its brand-new *ESWAP PRO CONTROLLER* in the fourth quarter of fiscal 2019 in both Europe and Asia (excluding Japan). This positioning in the gamepads market bears testament to Thrustmaster's drive to become a key player in this premier video game hardware segment. Thrustmaster is continuing to roll out this controller in Asia, with its launch in Japan set for this March. This gamepad — officially licensed by Sony for PlayStation®4 and also

compatible with PC — features unique modular technology, allowing for unlimited upgrading and customization options and increasingly intensive use by gamers.

New modules in the eSwap ecosystem will be launched during the first half of fiscal 2020.

➤ **Joysticks:** In late December, Thrustmaster unveiled its *HOTAS Magnetic Base*, along with *F-16C Viper™ HOTAS Add-On Grip* (both derived from the renowned *HOTAS Warthog Flight Stick*) — joining the *F/A-18C Hornet™ HOTAS Add-On Grip*, launched in July 2019. The option to purchase the base on its own allows for total adaptability, letting consumers use the base with any of Thrustmaster's flight stick grips (sold separately) for a flight experience that's optimized and customized according to the game being played.

➤ **Racing wheels:** Thrustmaster is currently preparing for the launch of a new multiplatform magnetic pedal set, featuring a Load Cell force sensor for ultra-precise braking. It will let racers experience sensations closer to reality than ever before, and enhance their racing performance.

The Group took part in CES 2020 in Las Vegas in mid-January, where its teams had the opportunity to meet with its major clients and make plans for the impending launches of the new Sony PlayStation®5 and Microsoft Xbox Series X consoles in late 2020.

Hercules developments

Hercules expanded its range of speakers with the *DJSpeaker 32 Smart*, monitoring speakers for mixing featuring *Bluetooth®* wireless technology. At the NAMM Show in Anaheim, California in January 2020, the *Hercules DJStarter Kit* won the *NAMM U Best in Show* prize, in the *Gotta Stock It* (bestseller) category: this controller was the first DJ product to win since 2017. Over the period, Hercules more than doubled its sales of DJ controllers in the United States, thanks to its new range including the *DJControl Starlight*, *DJControl Inpulse 200* and *DJControl Inpulse 300* models.

Trade agreement between the United States and China

The phase one trade agreement between the United States and China has allowed for cancellation of the projected tariffs on game console accessories (which represent the bulk of the Group's sales in North America), as well as the halving of tariffs on DJ speakers. PC accessories and DJ controllers produced by the Group, however, remain affected by import duties.

Prospects for 2020

The Group continues to evolve, with the goal of being even better adapted to the growth of online sales and the expansion of its geographic coverage to more than 120 countries.

Relying on dynamic sales to final consumers and acceleration of its direct commercial agreements with the main e-commerce players, the Guillemot Corporation Group forecasts turnover of more than €70 million for fiscal 2020. The Group is also ramping up its Research and Development programs in order to prepare for the arrival of new games and the next generation of consoles in late 2020.

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, the Netherlands, Italy, Belgium, China [Hong Kong] and Romania) and distributes its products in more than 120 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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