



Carentoir, March 25, 2020

2019 ANNUAL RESULTS

Guillemot Corporation's financial statements — reviewed by the Board of Directors** — for fiscal 2019, ended December 31, 2019, are broken down as follows:

(in € millions) January 1, 2019 – December 31, 2019	31/12/2019	31/12/2018	Change
Turnover	60.9	81.2	-25%
Thrustmaster	56.2	76.8	-27%
Hercules	4.7	4.4	+7%
Current operating income	-2.6	6.9	
Operating income	-2.6	6.9	
Financial income*	-4.6	3.1	
Income taxes	0.8	2.2	
Consolidated net income	-6.4	12.2	
Basic earnings per share	€-0.42	€0.80	

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

** Financial statements reviewed by the Board of Directors on March 24, 2020 but not approved by the Board, as a result of the meeting being held by way of telecommunication; Independent Auditors' report relating to certification currently underway.

Activity, results and key balance sheet elements

Fiscal 2019 saw a 25% decrease in the Guillemot Corporation Group's turnover, to €60.9 million. Thrustmaster's turnover was down by 27%, mainly due to a reduction in terms of distributor inventories.

Although the Group's sales to stores were down, sales of Thrustmaster accessories to consumers remained nearly stable. As a reminder: in 2019, sales of Thrustmaster joysticks to consumers increased by 19% in value in the United States (*Source: The NPD Group, Inc., January 2020 extract*) and by 11% in the five leading European countries (France, Germany, the United Kingdom, Italy and Spain) (*Source: @GFK 2020, January 2020 extract*). Sales of Thrustmaster racing wheels to the public were down by 4.4% 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*).

Operating income for fiscal 2019 showed a loss of €2.6 million, compared with positive operating income of €6.9 million at December 31, 2018. The gross accounting margin rate decreased by five points, as a result of increased competition in the game consoles accessories segment. At the same time, overall costs decreased by 12% with a stable workforce over the period.

Consolidated net income stood at €-6.4 million, compared to €+12.2 million for the previous fiscal year. This result includes a financial charge of €4.0 million linked to a revaluation loss with respect to the portfolio of Ubisoft Entertainment securities held by the Group.

In 2019, the Group invested €5.2 million in terms of its Research and Development activities, representing 8.5% of consolidated turnover.

Balance sheet elements

(in € millions)	31/12/2019	31/12/2018
Shareholders' equity	50.3	58.3
Inventories	21.4	24.9
Net indebtedness*	10.2	7.9
Current financial assets (MIS)	27.3	31.3

* Marketable Investment Securities (MIS) are not taken into account in calculating net indebtedness.

Shareholders' equity stood at €50.3 million at December 31, 2019. The Group's financial structure is solid, with net indebtedness amounting to €10.2 million at December 31, 2019 (excluding the Group's portfolio of Marketable Investment Securities), compared with €7.9 million at December 31, 2018.

Current financial assets (Marketable Investment Securities share) amounted to €27.3 million at December 31, 2019, and are composed of 443,874 Ubisoft Entertainment securities. Moreover, the Group has access to significant available lines of credit in order to meet its needs.

Impact of the COVID-19 epidemic

Since early 2020, the Group has noted an evolution in terms of sales networks in Asia, particularly in China and South Korea, as a result of the confinement measures put in place.

The coronavirus epidemic currently has the following consequences for the Guillemot Corporation Group:

- As the Group carries out its manufacturing activities in China, its main subcontractors have pushed back resumption of production, with the Group expecting to be able to return to normal capacity by late May, the current level being approximately 60%. This decrease in production will result in stock-outs with regard to certain products during the first half of fiscal 2020. Nevertheless, the Group has a relatively comfortable level of inventory at the start of the year. The impact due to the production lag on turnover over the fiscal year's first half is estimated at €3 million.
- The port of Hong Kong is functioning normally: neither shipments from Hong Kong nor activities at the Group's logistics warehouse are impacted.

In recent weeks, the Group has noted a recovery in terms of sales in Asia.

Impact on consumption: Among the initial observations, the Group is seeing a significant increase in e-commerce in its sector due to the closings of physical stores, and sales growth in China at the start of the year. The accessories sold by the Group are entertainment products for in-home use, and coronavirus-related confinements are currently resulting in increased demand from consumers.

Prospects for 2020

The Group is adapting its organization in order to deal with the COVID-19 crisis, stepping up direct deliveries to e-commerce players and taking all steps in order to ensure good end-of-year sales.

The Group is unable to provide forecasts at this time.

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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APPENDICES
(All entries are in €K)

Consolidated statement of income at December 31, 2019 year end

(in €K)	31.12.19	31.12.18
Net turnover	60,875	81,222
Purchases	-28,782	-57,132
External expenses	-13,150	-15,729
Personnel expenses	-9,777	-9,354
Taxes and duties	-346	-443
Depreciation and amortization	-3,424	-3,126
Provisions allowance	-1,140	-1,573
Changes in inventories	-3,198	18,713
Other operating revenues	397	250
Other operating expenses	-4,045	-5,937
Current operating income	-2,590	6,891
Other revenues from operations	0	0
Other expenses from operations	0	0
Operating income	-2,590	6,891
Cash and cash equivalents revenues	16	23
Cost of gross financial debt	391	157
Cost of net financial debt	-375	-134
Other financial revenues	0	3,199
Other financial expenses	-4,262	-1
Income taxes	813	2,196
Net income before minority interests	-6,414	12,151
including net income from discontinued activities	0	0
Minority interest share	0	0
Group net income	-6,414	12,151
Base earnings per share	-0.42	0.80
Diluted earnings per share	-0.42	0.80

Consolidated balance sheet at December 31, 2019 year end

ASSETS		
(in €K)	31.12.19	31.12.18
Goodwill	0	0
Intangible fixed assets	11,401	11,115
Tangible fixed assets	4,598	2,607
Financial assets	268	393
Tax assets	880	674
Deferred tax assets	1,149	873
Non-current assets	18,296	15,662
Inventories	21,390	24,925
Customers	19,579	23,779
Other receivables	1,644	1,442
Financial assets	27,334	31,284
Current tax assets	955	0
Cash and cash equivalents	5,851	4,010
Current assets	76,753	85,440
Total assets	95,049	101,102
LIABILITIES AND SHAREHOLDERS' EQUITY		
(in €K)	31.12.19	31.12.18
Capital (1)	11,771	11,771
Premiums (1)	10,551	10,551
Reserves and consolidated income (2)	27,440	35,887
Forex adjustments	580	56
Group shareholders' equity	50,342	58,265
Minority interests	0	0
Shareholders' equity	50,342	58,265
Personnel commitments/benefits	1,208	998
Loans	8,007	2,532
Other liabilities	0	0
Deferred tax liabilities	0	0
Non-current liabilities	9,215	3,530
Suppliers	16,409	18,878
Short-term loans	8,027	9,337
Fiscal liabilities	427	1,135
Other liabilities	10,587	9,921
Provisions	42	36
Current liabilities	35,492	39,307
Total liabilities and shareholders' equity	95,049	101,102

(1) Of the consolidated parent company

(2) Net income for the fiscal year: €-6,414K

Consolidated cashflow table at December 31, 2019 year end

(in €K)	31.12.19	31.12.18
Cashflow linked to operating activities		
Net income of integrated companies	-6,414	12,151
+ Depreciation, amortization and provisions allowance (apart from that linked to current assets)	3,968	3,394
- Depreciation, amortization and provisions recovery	0	-970
-/+ Unrealized gains and losses linked to changes in fair value	3,950	-2,814
+/- Expenses and revenues linked to stock options	0	0
-/+ Net gain/loss on disposals	-3	0
Deferred tax change	-275	-3,461
Cashflow after cost of net financial debt	1,226	8,300
Cost of net financial debt	375	134
Cashflow before cost of net financial debt	1,601	8,434
Cashflow Forex adjustment	-13	-19
Inventories	3,535	-16,558
Customers	4,200	134
Suppliers	-2,473	3,502
Other	-1,320	1,220
Working capital requirements change	3,942	-11,702
Net cashflow linked to operating activities	5,155	-3,421
Cashflow linked to investments		
Intangible fixed asset acquisitions	-2,345	-2,191
Tangible fixed asset acquisitions	-702	-1,284
Intangible and tangible fixed asset disposals	5	16
Financial fixed asset acquisitions	-7	-60
Financial fixed asset disposals	32	1
Net cashflow on subsidiary acquisitions/disposals	0	0
Net cashflow linked to investment activities	-3,017	-3,518
Cashflow linked to financing activities		
Capital increase or cash contribution	0	329
Dividends paid	-1,980	0
Debt issuance	11,000	133
Shareholders' current account reimbursement	0	-972
Debt repayments	-4,326	-4,822
IFRS 16 debt and interest reimbursement	-441	0
Other cashflow linked to financing activities	0	0
Total cashflow linked to financing activities	4,253	-5,332
Forex adjustment impact	91	-13
Cashflow change	6,482	-12,284
Net cashflow at fiscal year start	-2,005	10,279
Net cashflow at fiscal year end	4,477	-2,005