



Guillemot

C O R P O R A T I O N

Carentoir, April 30, 2020

2020 FIRST-QUARTER TURNOVER

Unaudited data (in € millions) January 1, 2020 to March 31, 2020	2020	2019	Change
Thrustmaster	12.5	12.3	+2%
Gaming accessories	12.5	12.3	+2%
Hercules	0.9	1.0	-10%
Digital peripheral devices	0.9	1.0	-10%
TOTAL	13.4	13.3	+1%

The Group's turnover for the first quarter of fiscal 2020 was stable, at €13.4 million. The production lag due to COVID-19 in Asia has not allowed for the delivery of all orders. Stay-at-home orders have resulted in increased demand for the Group's products among consumers in the countries involved.

Thrustmaster developments

During this period of enforced staying at home, both Thrustmaster's website and online shop have been experiencing record numbers of visits on a daily basis. Internet users have also come up with inventive online challenges, featuring Thrustmaster's accessories. Home confinement has had a particularly stimulating effect in terms of online e-Sports competitions: since real-world Formula One races have been put on hold, virtual races in which famous championship drivers compete have been taking place.

- **Gamepads:** Following on from the launch of the professional ESWAP PRO CONTROLLER gamepad (the first completely customizable gamepad, featuring adaptable modules), two new products — the ESWAP Classic D-PAD Module and ESWAP Classic Mini-Stick Module — will be joining the ESWAP ecosystem by June. The ESWAP PRO CONTROLLER gamepad has been available in Japan since late March, with sales off to a good start. Upon its release in Japan, the new gamepad enjoyed significant media coverage — including an announcement by PlayStation® regarding the controller's arrival on its Twitter account (1.2 million followers), generating strong interest in the product.
- **e-Sports racing:** Since its launch in the year's first quarter, the T-LCM Pedals racing pedal set — Thrustmaster's first pedals featuring magnetic sensors and a load cell force sensor on the brake pedal — has been on the road to success. In late March, the French website JeuxVideo.com gave the T-LCM Pedals a score of 18 on 20 following their testing, with the revealing title "Thrustmaster turns up the pressure on its competitors." The French website lesnumeriques.com, specializing in electronic devices, gave the pedal set five stars out of five, calling it "a success story."

- **Flight simulation/joysticks:** The very highly-anticipated game Microsoft Flight Simulator 2020 — the latest installment in the ever-popular franchise — has given rise to real enthusiasm among the flight simulation community, thereby providing Thrustmaster with an opportunity to launch new accessories in order to meet new needs.

Hercules developments: In late March, Hercules announced the compatibility of its DJControl Inpulse 200, DJControl Inpulse 300 and DJControl Starlight controllers with the djay iOS app. DJs can now enjoy mixing their favorite tracks with the latest generation of Hercules controllers, using their Premium account on the music streaming platforms offered by djay — on their iPhone or iPad. This significant development was achieved thanks to close collaboration with Algoriddim, providing users with infinite versatility in terms of their music choices.

Moreover, the DJUCED® software — included with most Hercules DJ controllers — recently launched version 5.0: this includes Beatport LINK, which allows users to discover and play using more than six million tracks, directly within DJUCED®. Founded in 2004, today Beatport is the best source for electronic music for DJs, producers and their fans.

Financial standing at March 31, 2020

- Net indebtedness (excluding Marketable Investment Securities) amounted to €10.7 million.
- The value of the Group's Marketable Investment Securities portfolio, composed of Ubisoft Entertainment securities, stood at €29.8 million.

COVID-19

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 75%. This decrease in production will result in stock-outs with regard to certain products. Nevertheless, the Group has a relatively comfortable level of inventory at the start of the year with respect to most of its products. The impact due to the production lag on turnover over the fiscal year's first half is estimated at €3 million.

Effect on consumption: The Group is seeing a significant increase in e-commerce in its sector due to the closings of physical stores and stay-at-home orders, 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.

Over the period, the Group's objective is to maintain continuity in terms of supplies to its large e-tail customers and open stores, in order to respond to strong demand, despite the closings of a number of wholesaler networks in different countries.

In late March, 80% of the Group's teams were working remotely, with everyone focusing on maximizing sales.

Prospects

In spite of a very high level of uncertainty within the context of the ongoing health crisis, the Group's sales are currently on the right track. The Group is unable to provide annual 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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