

Carentoir, July 23, 2020

2020 FIRST-HALF TURNOVER: +63% GROWTH

Unaudited data (in € millions) January 1, 2020 – June 30, 2020	2020	2019	Change
Second quarter			
Thrustmaster gaming accessories ranges	26.4	11.3	+134%
Thrustmaster total	26.4	11.3	+134%
Hercules digital devices	1.4	0.6	+133%
OEM*	0.3	0.3	-
Hercules total	1.7	0.9	+89%
Total	28.1	12.2	+130%
Q1 + Q2 total			
Thrustmaster gaming accessories ranges	38.9	23.6	+65%
Thrustmaster total	38.9	23.6	+65%
Hercules digital devices	2.3	1.6	+44%
OEM*	0.3	0.3	-
Hercules total	2.6	1.9	+37%
Total	41.5	25.5	+63%

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

During the second quarter of the fiscal year, the Group benefited from strong consumer demand and record numbers of visits to both the Hercules and Thrustmaster websites and their respective online shops.

The Group generated growth of 134% for the second quarter in terms of its Thrustmaster sales, and 89% for its Hercules sales, with turnover of €28.1 million, bringing growth over the first half of the fiscal year to 63%.

Over the period, the Group had to manage significant challenges related to COVID-19, including:

- Stay-at-home orders, which resulted in the shuttering of many brick-and-mortar stores, particularly in Europe.
- The transfer of sales to e-commerce channels.
- Production lags during the first quarter, with a progressive return to normal levels over the month of May.
- Logistics chain disruptions, with the closing of numerous wholesalers.

The Group's logistics, production, marketing and sales teams proved their flexibility, achieving the following over the first half of the year:

- Positioning of inventories in the United States and Europe from the start of the year, in anticipation of supply difficulties.
- Reevaluation of wholesaler networks in order to complete logistics chains.
- Signature and implementation of new direct distribution agreements with e-tailers, in order to ensure the continuous flow of products to consumers.
- Daily monitoring of all sales indicators in order to plan inventory replenishments in advance, thereby limiting stock-outs among the Group's customers.

Over the same period, the Group saw a marked increase in demand from consumers looking to purchase both racing and flight simulation-related accessories.

This translated into a strong increase in the Group's sales to its customers.

Geographical areas

During the first half of the fiscal year, the Group's sales increased by 133% in North America, by 55% in the European Union, and by 22% in other countries. Australia, South Korea and China proved to be particularly dynamic markets.

With distribution network inventories now at minimal levels, the Group is currently working to resupply its customers.

Over the period, the Group launched two major new products: the *Hercules DJControl Impulse 500* DJ controller, and the *TCA Sidestick Airbus Edition* joystick.

Thrustmaster developments

- **e-Sports/gamepads range**: Thanks to the modularity of its recent *ESWAP PRO CONTROLLER* gamepad, Thrustmaster has made a successful entry into the world of e-Sports by optimizing the experience for gamers. Thrustmaster is currently further strengthening its positioning in the gamepads market, in order to grow its market share.
- **Racing range**: The launch of the highly-anticipated game *Project CARS 3* this summer will allow Thrustmaster to boost its racing wheel sales. Many real-world car racing events have been converted into virtual events, including the famous *24 Hours of Le Mans*. In early June, Thrustmaster announced its partnership — exclusive in its category — with the *24 Hours of Le Mans Virtual* event, which took place over June 13–14. This unique competition proved to be a stunning success, drawing in an audience of more than 14 million viewers. This brand-new e-Sports version of the legendary *24 Hours of Le Mans* served to strengthen the market for the Group's accessories.
- **Flight simulation range**: In mid-June, Thrustmaster announced the launch of its first pack of flight simulation accessories dedicated to civil aviation, officially licensed by Airbus®. The *TCA Sidestick Airbus Edition* joystick — the first product in the Thrustmaster Civil Aviation range — allows for unique and ergonomic handling, inspired by the iconic Airbus sidestick. This new range of accessories will feature four products for PC. The confirmed launch of the new *Microsoft Flight Simulator* game on August 18 will represent an excellent opportunity for Thrustmaster. The Group's objective is to become the expert brand in all virtual skies, in terms of both military and civil aviation. With more than 29 million visitors per month, the incredibly popular American website Polygon — dedicated to video games — recently published an entire article on the *TCA Sidestick Airbus Edition* joystick and the new *Microsoft Flight Simulator* game.

Hercules developments

In mid-June, the Group announced the launch of its new super high-performance DJ controller, *Hercules DJControl Impulse 500*, allowing young DJs to perform in front of audiences with total confidence and achieve their goals. Bundled with both the DJUCED® and Serato DJ Lite software, *DJControl Impulse 500* includes not only helpful visual guides for learning how to DJ and the innovative Intelligent Music Assistant (IMA) in DJUCED®, but also a variety of other great features helping DJs to quickly progress at their craft.

Over the period, Hercules finalized an important commercial agreement with *Sweetwater.com*, the online musical instruments sales giant in the United States.

Prospects

With the impending arrival of the new PlayStation®5 console from Sony Interactive Entertainment Inc. and the Xbox Series X™ console from Microsoft Corporation, the soaring popularity of e-Sports and the launches of new racing and flight simulation games, the Group is anticipating a dynamic market over the second half of the fiscal year. Nevertheless, the Group continues to face a high level of uncertainty relating to the spread of COVID-19 and its economic impact in different countries. The Group is now forecasting annual turnover of more than €80 million, and 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, 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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