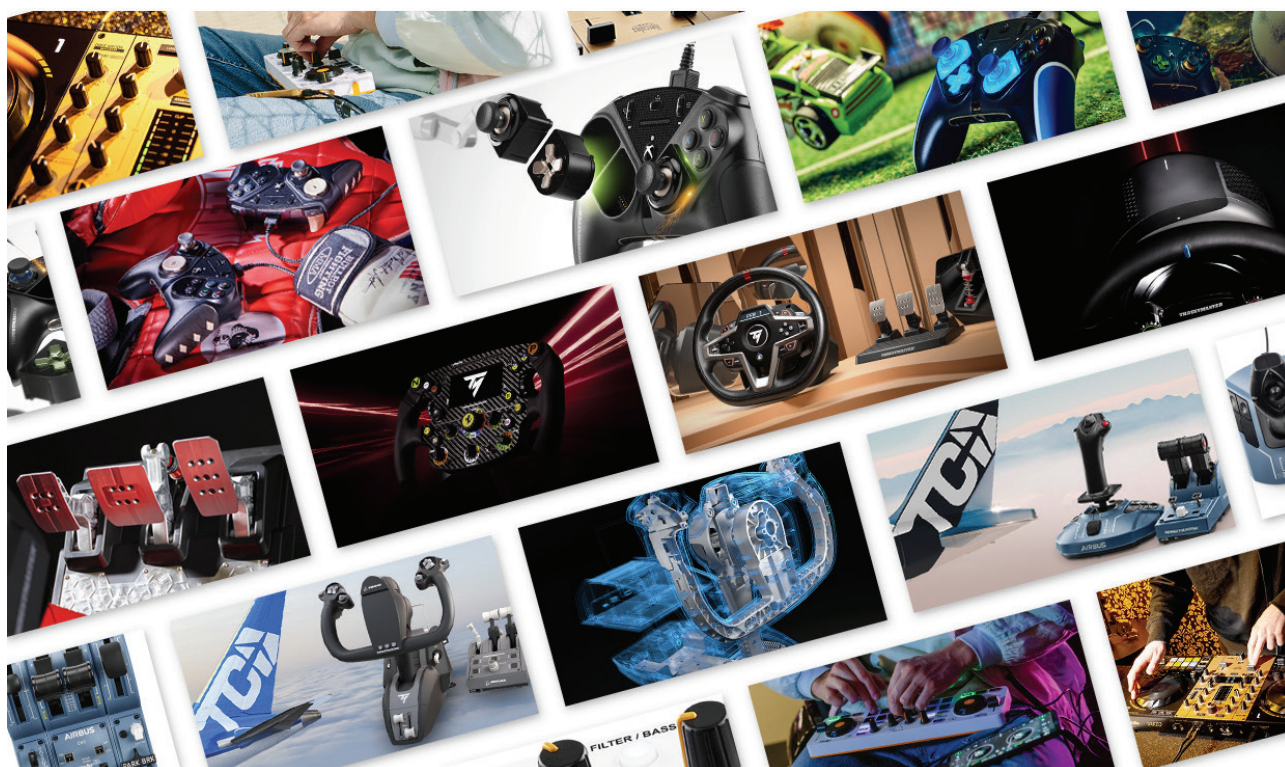




2021 UNIVERSAL REGISTRATION DOCUMENT INCLUDING THE 2021 ANNUAL FINANCIAL REPORT



Hercules

THRUSTMASTER®



2021 UNIVERSAL REGISTRATION DOCUMENT INCLUDING THE 2021 ANNUAL FINANCIAL REPORT

This document also includes the full Management Report
and report on corporate governance.



The Universal Registration Document was filed with the AMF (France's financial markets authority), as the competent authority under Regulation (EU) 2017/1129, on April 27, 2022. In accordance with Article 9 of the aforementioned regulation, it was filed without prior approval.

The Universal Registration Document may be used for the purposes of a public offering of financial securities or the admission to trading of financial securities on a regulated market provided it is supplemented by a short-form prospectus and, as the case may be, a summary and any amendments to the Universal Registration Document. The resulting body of documentation is approved by the AMF in accordance with Regulation (EU) 2017/1129.

A cross-reference table is provided on page 209 of this Universal Registration Document to help the reader find the information referred to in Annexes 1 and 2 of Commission Delegated Regulation (EU) 2019/980 of March 14, 2019.

This 2021 annual financial report is a reproduction of the official version of the annual financial report prepared in XHTML format and available from the issuer's website at www.guillemot.com.

Pursuant to Article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, the following information is incorporated by reference into this Universal Registration Document:

- The consolidated financial statements for the year ended December 31, 2020, together with the statutory auditors' report pertaining thereto, found on pages 117-150 of the Universal Registration Document filed with the AMF on April 28, 2021 under number D.21-0372 (https://www.guillemot.com/wp-content/uploads/2021/04/GuillemotCorporation_URD_exercice2020.pdf)
- The consolidated financial statements for the year ended December 31, 2019, together with the statutory auditors' report pertaining thereto, found on pages 123-156 of the Universal Registration Document filed with the AMF on April 27, 2020 under number D.20-0357 (https://www.guillemot.com/wp-content/uploads/2020/04/GuillemotCorporation_URD_exercice2019.pdf)

Information included in these documents other than the information referred to above has, where applicable, been replaced and/or updated with information included in this Universal Registration Document.

CONTENTS

➤	2021 MANAGEMENT REPORT	8
1.	BUSINESS OF THE COMPANY AND THE GROUP DURING FISCAL 2021.....	8
1.1	HERCULES: A LEADING BRAND FOR DJS	10
1.2	THRUSTMASTER: A MAJOR PLAYER IN THE CONSOLE AND PC GAMING ACCESSORIES MARKET RESOLUTELY FOCUSED ON CUSTOMERS.....	16
2.	RESEARCH AND DEVELOPMENT UNDERTAKEN BY THE COMPANY AND THE GROUP.....	22
3.	ANALYSIS OF THE BUSINESS, RESULTS AND FINANCIAL POSITION OF THE COMPANY AND THE GROUP IN FISCAL 2021.....	22
3.1	2021: A DYNAMIC YEAR FOR THE GROUP	23
3.2	A CUTTING-EDGE GLOBAL SUPPLY CHAIN.....	24
3.3	A CONSTANTLY EVOLVING CUSTOMER SUPPORT SERVICE	24
3.4	THE GROUP'S COMPETITIVE ENVIRONMENT	25
3.5	DIVERSIFIED GLOBAL MEDIA COVERAGE INCLUDING INCREASED USE OF SOCIAL MEDIA.....	25
4.	GROUP RESULTS AND PRESENTATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021	28
4.1	GROUP KEY FIGURES AND SEGMENT INFORMATION	28
4.2	PRESENTATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021 AND APPROPRIATION OF INCOME	29
5.	POTENTIAL DEPENDENCIES OF THE COMPANY AND THE GROUP	34
6.	INVESTMENT POLICY	34
7.	STRATEGY AND OBJECTIVES OF THE COMPANY AND THE GROUP	34
8.	FORESEEABLE CHANGES IN THE POSITION OF THE COMPANY AND THE GROUP	34
9.	SIGNIFICANT EVENTS OCCURRING AFTER THE BALANCE SHEET DATE	35
10.	MATERIAL CHANGES IN THE GROUP'S FINANCIAL OR COMMERCIAL POSITION SINCE THE END OF THE FISCAL YEAR	35
11.	SUBSIDIARIES AND INVESTMENTS.....	36
11.1	GUILLEMOT CORPORATION GROUP ORGANIZATION CHART AT DECEMBER 31, 2021	36
11.2	PARENT COMPANY	36
11.3	MARKETING AND SALES SUBSIDIARIES	37
11.4	RESEARCH AND DEVELOPMENT SUBSIDIARIES.....	37
11.5	OTHER SUBSIDIARIES	37
12.	INFORMATION ABOUT THE COMPANY AND ITS SHARE CAPITAL.....	37
12.1	INFORMATION ABOUT THE COMPANY'S SHARE CAPITAL	37
12.2	INFORMATION ABOUT GUILLEMOT CORPORATION SHARES.....	42
13.	RISK FACTORS	44
13.1	RISKS ASSOCIATED WITH SUPPLY SOURCES.....	44
13.2	RISKS ASSOCIATED WITH THE EQUITY PORTFOLIO	44
13.3	RISKS ASSOCIATED WITH PROTECTIONISM	45
13.4	TECHNOLOGY RISK	45
13.5	RISK ASSOCIATED WITH SEASONAL FLUCTUATIONS IN BUSINESS	45
13.6	PUBLIC HEALTH RISKS.....	46
13.7	RISKS ASSOCIATED WITH LICENSING AGREEMENTS	46
14.	INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES PERTAINING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION	46
14.1	OBJECTIVES OF INTERNAL CONTROL PROCEDURES	46
14.2	GENERAL ORGANIZATION OF INTERNAL CONTROL	46

15.	CORPORATE, ENVIRONMENTAL AND SOCIAL INFORMATION.....	57
15.1	CORPORATE INFORMATION.....	57
15.2	ENVIRONMENTAL INFORMATION.....	61
15.3	SOCIAL INFORMATION.....	64
16.	STATUTORY AUDIT	67
17.	APPENDIX 1: FIVE-YEAR FINANCIAL SUMMARY.....	68
17.1	FIVE-YEAR FINANCIAL SUMMARY FOR GUILLEMOT CORPORATION S.A.....	68
17.2	FIVE-YEAR FINANCIAL SUMMARY FOR GUILLEMOT CORPORATION GROUP	68
18.	APPENDIX 2: SCHEDULE OF CHANGES IN EQUITY – GUILLEMOT CORPORATION S.A.	69
19.	APPENDIX 3: SPECIAL REPORT ON STOCK OPTIONS.....	71
20.	APPENDIX 4: SPECIAL REPORT ON FREE SHARES	71
21.	APPENDIX 5: REPORT OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE.....	72
21.1	CORPORATE GOVERNANCE CODE.....	72
21.2	DIRECTORS AND EXECUTIVES OF GUILLEMOT CORPORATION S.A.....	72
21.3	PREPARATION AND ORGANIZATION OF THE BOARD’S WORK	81
21.4	ASSESSMENT OF AGREEMENTS RELATING TO ROUTINE ARM’S LENGTH TRANSACTIONS.....	83
21.5	AGREEMENTS COVERED BY ARTICLE L.225-37-4 OF THE FRENCH COMMERCIAL CODE	84
21.6	DIRECTORS’ AND EXECUTIVES’ COMPENSATION	84
21.7	POWERS IN FORCE IN RESPECT OF INCREASES IN THE SHARE CAPITAL	114
21.8	SHAREHOLDER RELATIONS	115
21.9	SHAREHOLDER PARTICIPATION IN SHAREHOLDERS’ GENERAL MEETINGS.....	115
21.10	FACTORS LIABLE TO HAVE AN IMPACT ON ANY PUBLIC TENDER OFFER PRICE (ARTICLE L.22-10-11 OF THE FRENCH COMMERCIAL CODE)	116
➤	CONSOLIDATED FINANCIAL STATEMENTS TO DECEMBER 31, 2021	117
1.	CONSOLIDATED BALANCE SHEET.....	117
2.	STATEMENT OF NET INCOME AND GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY	118
3.	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	119
4.	CONSOLIDATED STATEMENT OF CASH FLOWS	120
5.	NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	121
5.1	GENERAL INFORMATION	121
5.2	SIGNIFICANT EVENTS IN FISCAL YEAR 2021	121
5.3	ACCOUNTING STANDARDS	122
5.4	KEY ACCOUNTING POLICIES	122
5.5	SCOPE OF CONSOLIDATION	129
5.6	SEGMENT INFORMATION	129
5.7	NOTES TO THE BALANCE SHEET	131
5.8	NOTES TO THE INCOME STATEMENT	141
6.	SUBSEQUENT EVENTS	146
7.	DATA RELATING TO THE PARENT COMPANY, GUILLEMOT CORPORATION S.A.	146
8.	AUDITORS’ FEES	146
9.	EVALUATION AND DESCRIPTION OF THE FINANCIAL IMPACTS OF ENVIRONMENTAL RISKS.....	147
10.	STATUTORY AUDITORS’ REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS.....	148

➤	PARENT COMPANY FINANCIAL STATEMENTS TO DECEMBER 31, 2021	154
1.	BALANCE SHEET	154
2.	INCOME STATEMENT	155
3.	INTERIM MANAGEMENT FIGURES.....	156
4.	STATEMENT OF CASH FLOWS	156
5.	NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS	157
5.1	SIGNIFICANT EVENTS IN THE YEAR.....	157
5.2	ACCOUNTING PRINCIPLES.....	158
5.3	ACCOUNTING PRINCIPLES AND POLICIES.....	158
5.4	NOTES TO THE BALANCE SHEET	161
5.5	NOTES TO THE INCOME STATEMENT.....	171
5.6	SUBSEQUENT EVENTS	177
5.7	PROPOSED APPROPRIATION OF INCOME	178
5.8	AUDITORS' FEES.....	178
5.9	EVALUATION AND DESCRIPTION OF THE FINANCIAL IMPACTS OF ENVIRONMENTAL RISKS.....	178
5.10	STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS	179
➤	KEY MARKETS.....	185
1.	GLOBAL VIDEO GAMES MARKET	185
2.	CONSOLE MARKET	186
3.	PC MARKET	188
4.	PC AND CONSOLE ACCESSORIES MARKET.....	188
4.1	RACING WHEELS	188
4.2	JOYSTICKS	189
4.3	GAMEPADS.....	189
4.4	GAMING HEADSETS	189
5.	ESPORTS MARKET	189
6.	STREAMING AUDIO MARKET.....	190
7.	HEADPHONES AND DJ MARKET.....	190
➤	COMBINED SHAREHOLDERS' GENERAL MEETING OF JUNE 9, 2022	192
1.	AGENDA.....	192
▪	WITHIN THE AUTHORITY OF THE ORDINARY GENERAL MEETING.....	192
▪	WITHIN THE AUTHORITY OF THE EXTRAORDINARY GENERAL MEETING.....	192
2.	DRAFT RESOLUTIONS	193
▪	WITHIN THE AUTHORITY OF THE ORDINARY GENERAL MEETING.....	193
▪	WITHIN THE AUTHORITY OF THE EXTRAORDINARY GENERAL MEETING.....	197
3.	REPORT BY THE BOARD OF DIRECTORS	197
4.	INFORMATION ABOUT DIRECTORS PROPOSED FOR REAPPOINTMENT	199
5.	STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS	200

➤ OTHER INFORMATION	205
1. GENERAL INFORMATION ABOUT GUILLEMOT CORPORATION S.A.	205
1.1 INFORMATION ABOUT THE ISSUER	205
1.2 CORPORATE PURPOSE OF GUILLEMOT CORPORATION S.A.	205
1.3 REGULATORY ENVIRONMENT.....	205
1.4 AVAILABLE DOCUMENTS.....	205
1.5 CHANGES OF CONTROL	206
1.6 IDENTIFIABLE BEARER SHARES	206
1.7 DIVIDEND POLICY	206
2. PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND DECLARATION	206
2.1 PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THE UNIVERSAL REGISTRATION DOCUMENT.....	206
2.2 DECLARATION BY THE PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT	206
3. PERSONS RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS	207
4. CALENDAR OF PUBLICATIONS FOR THE CURRENT FISCAL YEAR AND REPORTING POLICY	208
5. CROSS-REFERENCE TABLE AND OTHER TABLES.....	209
5.1 CROSS-REFERENCE TABLE – UNIVERSAL REGISTRATION DOCUMENT	209
5.2 TABLE – ANNUAL FINANCIAL REPORT	212
5.3 TABLE – WORKFORCE-RELATED, ENVIRONMENTAL AND SOCIAL INFORMATION.....	213
6. GLOSSARY	215

➤ 2021 MANAGEMENT REPORT

Dear Shareholders,

In accordance with statutory and regulatory requirements and the provisions laid down in the Articles of Incorporation, we have convened this shareholders' general meeting to examine the financial statements for the year ended December 31, 2021 and to report on the business of the [Guillemot](#) Corporation Group and its parent company during that year.

The financial statements, reports and other documents and information laid down in regulations were provided or made available to you within the statutory deadlines.

1. BUSINESS OF THE COMPANY AND THE GROUP DURING FISCAL 2021

Listed on the stock market since 1998 and active in its sector since 1984, the Guillemot Corporation Group is a major player in the interactive entertainment market through its two brands, Hercules and Thrustmaster, and is considered a global leader in its field.



Hercules
▲▲▲



THRUSTMASTER®

[The Group specializes in the design and marketing of digital peripherals and accessories for PCs and gaming consoles.](#) The development of its businesses is structured around two flagship brands:

- **Hercules** in the audio equipment and peripherals segment (mixing decks for amateur and semi-professional DJs, DJ headphones, DJ speakers, etc.)
- **Thrustmaster** in PC and console gaming accessories for experienced gamers as well as consumers more generally (gamepads, racing wheels, joysticks and gaming headsets)

Thanks to its two brands, the Group has a strong reputation in the global PC and console gaming accessories industry. Its extensive and unique product portfolio, evenly split between its two brands, allows it to capitalize on emerging new trends.

With operations in ten countries (France, Germany, the United Kingdom, the United States, Canada, Spain, Italy, Belgium, China [Shanghai, Shenzhen and Hong Kong] and Romania) and its products sold in 150 countries, the Group puts innovation and a perpetual search for excellence at the very core of its concerns so as to be able to provide users with high-quality products and services that deliver optimal performance.



Ever since it was set up and brought its first products to market, the Group has endeavored to maintain a varied catalog of accessories and to always be as innovative as possible. In its constant quest for innovation, the Group offers high-performance digital solutions that maximize enjoyment for consumers and gamers. A few years ago, the Group adopted a regional sales organization to optimize the availability of Hercules and Thrustmaster products across retail networks and ensure all its users were well served. Thrustmaster products are now available in 150 countries worldwide.



With four research and development units based in France, Canada, Romania and China, the Group has expertise in audio technology as well as research and development teams all over the world, enabling it to design products at the cutting edge of technology. Hercules is recognized for its innovation in the musical entertainment market, a segment with universal reach in which it aims to remain a key player.

In a crowded competitive landscape, the Group stands out for its ability to innovate and its use of design thinking to anticipate consumer expectations. Because fostering close relationships with its customers is in its DNA, the Group is committed to offering the highest levels of service quality.

Since March 2020, the Group has had to rethink its working methods to protect the health of its workforce and ensure the availability of its products without changing its strategy.

In 2021, the Group:

- confirmed strong momentum in sales of accessories in the Thrustmaster racing and flying segments as well as the Hercules DJ range;
- stepped up its recruitment efforts over the period and ran sales promotions and marketing campaigns to support business growth;
- set up, integrated and managed an international sales division dedicated to Amazon;
- negotiated and signed new direct e-tail and omnichannel agreements;
- secured its supplies of components and ramped up production to meet high demand for accessories in the run-up to the year-end;
- boosted production capacity in China and began production in Western Europe;
- raised the prices of its products to reflect increased logistics and component costs;
- strengthened its logistical, commercial and trade marketing capabilities in Europe to take full advantage of growth among pan-European operators, particularly in the United Kingdom, Germany and the Benelux countries;
- speeded up delivery of best-selling Hercules products;
- adapted its policies in response to new public health restrictions, with most staff switching to remote working;
- pre-routed products to storage warehouses in the United States and Europe to optimize availability for the end-of-year holiday season;
- launched a US e-Shop in December.

The Group launched a number of new products in 2021, including the following:

- the *Formula Wheel Add-on Ferrari SF1000 Edition*, a gaming replica of the wheel used in the celebrated Ferrari SF1000 (launched in April)
- the *T248* racing wheel, officially licensed for use with the PlayStation®5, PlayStation®4 and PC, and the new edition of the *T-GT II* racing wheel officially licensed for use with the PlayStation®5 and ready for the future Gran Turismo Sport 7 game for PlayStation®5
- *ESWAP LED Crystal* packs

All of the Group's logistics, production, marketing and sales teams adapted to new constraints: with global supply chains at saturation point, the Group faces longer lead times and higher costs for sea freight, especially to North America.

Steps were taken to overcome most of the additional constraints:

- Production was increased to build up a buffer of inventory.
- Selling prices were raised on some products to offset additional costs.
- New supply channels were opened up to streamline supply.

1.1 Hercules: a leading brand for DJs



Established in the United States in 1982 and acquired by Guillemot Corporation in 1999, Hercules made history by becoming a global pioneer in the graphics card market, notably by creating a number of new standards. At Hercules, each and every innovation is driven by a passion for music. From the first quadrophonic PC sound card to the first portable DJ mixing desk with integrated audio for PC and Mac, Hercules offers leading-edge hardware recognized for its precision and sound quality. Having built up extensive know-how over the years, Hercules is renowned for its audio expertise and is one of the world's foremost makers of mobile DJ controllers.

Hercules' achievements in 2021 include the following (see consolidated financial statements to December 31, 2021, note 5.6.1, "Segment information by business area"):

- Released an exclusive limited-edition *DJControl Inpulse 500 Gold Edition* bundle
- Bundled the SoundCloud Go+ streaming service with version 5.2 of its DJUCED software
- Created the online *Hercules DJ Mix Room* where DJs can add royalty-free music to their set lists
- Strengthened its positioning in e-learning



Guillemot Corporation has a professional anechoic chamber which it uses to develop its range of DJ speakers, DJ headphones and gaming headsets. The chamber's walls are covered with dihedrons made from absorbent material for measuring sound waves without any of the disruption linked to reflections, thus recreating "free field" conditions.

Thanks to its investment in research and development, Hercules is able to design innovative products that meet the expectations of demanding communities in the music world.

1.1.1 The Hercules DJ range



The Hercules brand is a globally recognized player in the portable mass-market mixing controller segment. Thanks to its extensive DJing expertise, Hercules serves as a focal point for communities of DJs from beginners right through to expert users.

The Hercules DJ range is highly dynamic, with new products launched every year.

- DJUCED software



Since 2018, Hercules products have included built-in help such as the Intelligent Music Assistant, which suggests tracks from the DJ's library or from streaming music platforms Beatport LINK and Beatsource LINK. It also offers an "Energy" feature to help manage the party mood by adjusting danceability so as to suggest the best tracks to mix.

The Intelligent Music Assistant makes it easy for any DJ to pick the best track to play, whether during practice sessions or while performing live. DJ Hercules DJUCED, launched in

2011, is a popular, high-performance software package downloaded by more than 150,000 people between December 2020 and December 2021.



New developments are added every year, for example:

- A simpler, more user-friendly and more intuitive interface that adapts to every user, from beginners through to experts
- A quicker and easier launch process, complete integrated help in 14 languages and ready-to-mix tracks
- DJ Academy integration, offering a library of videos to help learn the basics of DJing
- The Intelligent Music Assistant (IMA) to help improve track selection
- A number of streaming platforms: Beatport LINK and Beatsource LINK, Qobuz, SoundCloud Go+ and Tidal to make sure DJs always have the hottest tracks at their fingertips

Now in version 5.3, DJUCED is regularly updated to ensure it continues to meet users' needs.

The SoundCloud Go+ streaming service was added to version 5.2 of the DJUCED software on July 20, 2021. The Intelligent Music Assistant now suggests tracks from the entire SoundCloud Go+ music catalog, helping DJs take their creativity to the next level. DJUCED, which is celebrating its tenth birthday, now includes new functions designed to help the DJ community reach new heights. Starting in the first quarter of 2021, Hercules is now being used live on Twitch by DJs all over the world. This positioning has enabled the brand to reach a new audience (such as gamers who are also music fans) as well as breaking into the live performance space.

- **DJCONTROL IMPULSE 500**

To celebrate the success of the *DJControl Impulse 500*, hailed by numerous media platforms and YouTubers as one of the best controllers of 2020, Hercules unveiled the exclusive limited-edition *DJControl Impulse 500 GOLD EDITION* bundle in mid-March 2021. The livestreamed launch event featured input from partners and influencers worldwide. This limited edition, which is a perfect fit for the new generation of DJs, sports a unique design and includes the Serato DJ Pro software. Other standout features include its central mixer's gold-colored metal backing plate, eye-catching gold markings all over the controller, the bundled Serato DJ Pro license key and a dedicated carrying case.



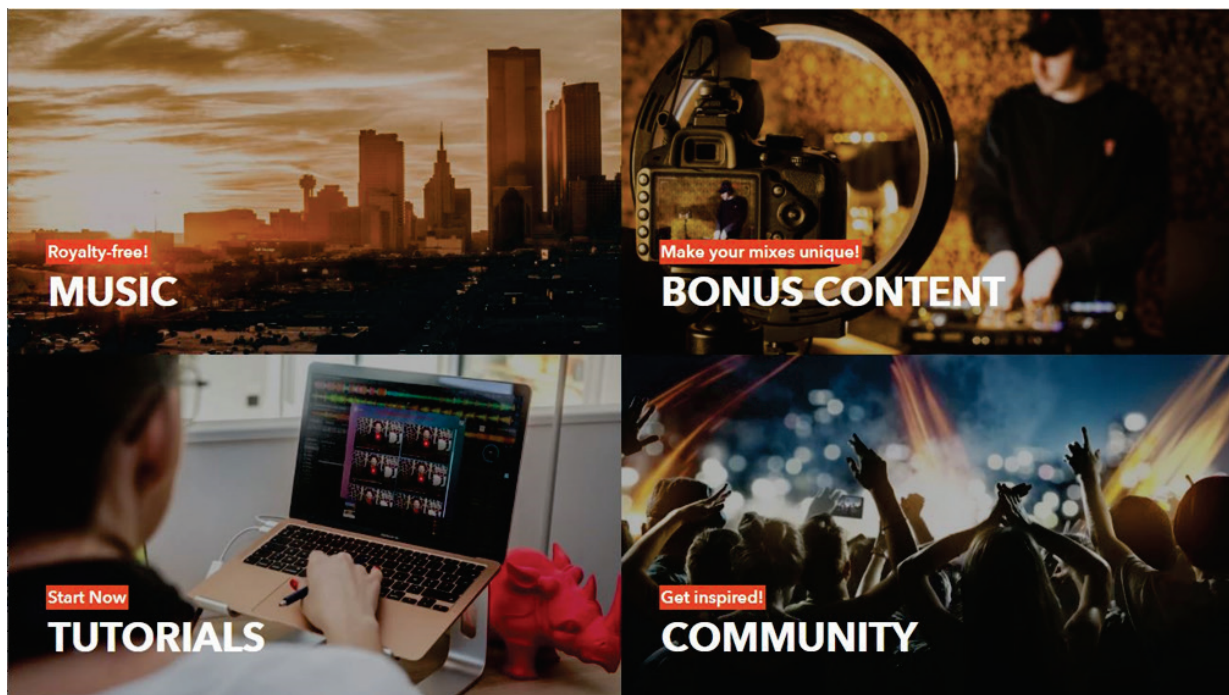
- **DJCONTROL MIX**

In mid-November 2021, Hercules unveiled its latest DJ controller, the *DJControl Mix*, in association with Algoriddim djay, one of the world's most popular DJ apps. Perfect for DJs wanting to create mash-ups from current hits, mix and add effects to their favorite tracks and blend genres, the *DJControl Mix*, launched on November 17, 2021, is portable enough to fit in a backpack and go anywhere, enabling DJs to unleash their creativity, have fun and even DJ at impromptu parties. The *DJControl Mix* is powered by an external battery or USB power supply and connects to the free Algoriddim djay app via Bluetooth. Mixing at any time has never been easier!



- **HERCULES DJ MIX ROOM**

On September 10, 2021, Hercules opened up a new area of its DJ website: the *Hercules DJ Mix Room*. This new service helps DJs improve their sets by enabling them to download royalty-free music so they can freely share their track lists. Hercules has also created additional services such as personalized graphics and emojis in response to recurring demand from DJs keen to liven up their livestreams.



- DJCONTROL IMPULSE 500 WHITE EDITION

Building on the success of its *DJControl Inpulse* range and the limited-edition *DJControl Inpulse 500 Gold Edition*, in mid-January 2022 Hercules announced the limited-edition *DJControl Inpulse 500 White Edition*. Always keen to stand out from the crowd and build closer ties with its community, Hercules is offering this new premium bundle in white – a much sought-after color among fans of the brand. Like the *DJControl Inpulse 500 Gold Edition*, this new bundle has also been available since January 13, 2022 in Europe, North America and the Middle East in a limited run of just one thousand units. Each controller is unique and numbered from 1 to 1,000 and the bundle comes with a Serato DJ Pro license key, an embroidered carrying case and free services.



1.1.2 DJ headphones



1.2 Thrustmaster: a major player in the console and PC gaming accessories market resolutely focused on customers

THRUSTMASTER®



Established in 1992 and acquired by Guillemot Corporation in 1999, Thrustmaster brings its expertise and technical knowledge to the video game accessories market. For nearly 30 years, Thrustmaster has been developing high-tech accessories such as racing wheels, joysticks and gamepads for gaming consoles and PCs designed to satisfy and entertain gamers of every stripe.

Thrustmaster creates high-quality products that offer gamers a unique experience, backed up by prestigious licensing agreements and strong partnerships.

Thrustmaster has always worked with top-tier official partners.

Key achievements for the Thrustmaster brand in 2021 include the following (see note 5.6.1 to the consolidated financial statements to December 31, 2021, "Segment information by business area"):

- Launched its T248 racing wheel, a new Force Feedback wheel for PlayStation 5™, PlayStation 4™ and PC*, at the end of August
- Launched its T-GT II racing wheel officially licensed for PlayStation®5: an upgraded version of the T-GT racing wheel – released just four years earlier – in anticipation of the release of Gran Turismo Sport
- Marketed the *ESWAP X PRO CONTROLLER*, the latest officially licensed eSwap product
- Entered into a partnership with Boeing to create new Thrustmaster Civil Aviation peripherals

1.2.1 Racing wheels and accessories

- **T-GT II:** this racing wheel, released on June 23, 2021 and officially licensed for PlayStation 5 and Gran Turismo Sport, is a powerhouse of cutting-edge technology. As well as providing the level of Force Feedback users of the T-GT racing wheel are accustomed to, it offers PlayStation 5 and PC gamers unrivaled precision. Its new design and capabilities allow for the ultimate in competitive racing.



Considered a flagship brand in the racing wheel category, and in the high-end racing wheel segment more specifically, Thrustmaster is the favorite brand among passionate gamers seeking unique thrills.

In 2021, the US racing wheel market grew 78.14% by value year on year to \$123.1 million. Thrustmaster's 2021 market share by value was 38.25% (source: © 2022 The NPD Group, Inc., All Rights Reserved; Proprietary and Confidential; Property of NPD and its Affiliates; Licensed for Use by NPD Clients Only; extract at January 2022). In the top five European countries of France, Germany, the United Kingdom, Italy and Spain, the racing wheel market grew 32.5% by value to €157.7 million.

Thrustmaster was the number two player in racing wheels, with a market share of 27.3% by value and growth outpacing the market (*source: © GfK 2022, all rights reserved*).

In 2021, Thrustmaster supported its official drivers in more eSports competitions while continuing to sponsor its partners' global events. The success of the T248 racing wheel for PlayStation®5, launched in partnership with a number of game developers, generated unprecedented sales momentum. The Xbox version of the T248 will be launched in spring 2022.

FORMULA WHEEL ADD-ON FERRARI SF 1000 EDITION

On April 20, 2021, Thrustmaster launched its brand new *Formula Wheel Add-on Ferrari SF1000 Edition*. With its 100% carbon fiber central faceplate, this racing wheel is a replica of the steering wheel used in the celebrated Ferrari SF1000 Formula 1 car. In a first for Thrustmaster, it features an integrated interactive screen that can be connected either natively or via wireless telemetry. With 25 action buttons and a dashboard that can display 69 different pieces of information, it provides sim racers with an unparalleled level of realism. In an article published the day after its release, French website www.jeuxvideo.com described it as a “gem” and gave it a score of 18 out of 20. The *Thrustmaster Formula Wheel Add-On Ferrari SF1000 Edition* has been highly acclaimed by the international press, with Australian lifestyle site efm.com awarding it a score of 96% and describing it as “utterly outstanding” in a review published on June 15, 2021.

T248

At the end of August 2021, Thrustmaster pulled back the curtain on the *T248*, its first next-generation hybrid racing wheel designed for use on all track types. With a new, optimized Hybrid Drive system offering unrivaled Force Feedback at an affordable price, this wheel is 70% more powerful and includes brand new functions such as three Force Feedback presets that can be adjusted in-game.



1.2.2 Headsets for online gaming

Thrustmaster did not release any new products in its range of headsets for online gaming in 2021.



In 2021, the US market for gaming headsets declined 4.5% by value (*source: © 2022 The NPD Group, Inc., All Rights Reserved; Proprietary and Confidential; Property of NPD and its Affiliates; Licensed for Use by NPD Clients Only*).

1.2.3 Gamepads



Since 2019, Thrustmaster has regularly updated its range of professional gamepads for eSports players, adding a selection of matching accessories.

In 2021, the gamepad range performed very well in the United States, where it occupies a unique high-end position. Increasingly recognized by ranked players, the range will be expanded in 2022 to maximize its potential.

The US gamepad market was more or less stable in 2021, growing 0.85% by value to \$1.457 million. Thanks to its *ESWAP X PRO CONTROLLER* gamepad, Thrustmaster ranked number five by value. Thrustmaster's 2021 market share by value was 8.7% (source: © 2022 The NPD Group, Inc., All Rights Reserved).

Reserved; Proprietary and Confidential; Property of NPD and its Affiliates; Licensed for Use by NPD Clients Only).

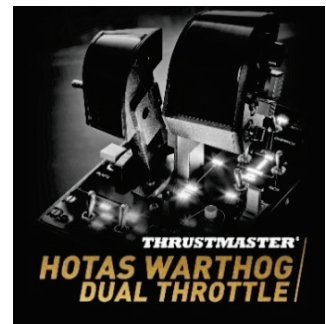
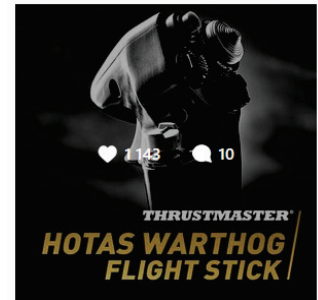
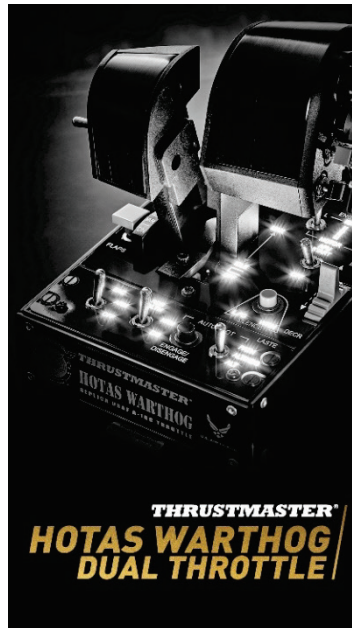
In the top five European countries, the gamepad market declined 2% by value to €607 million. Thrustmaster had a market share by value of 21% (source: © GfK 2022, All Rights Reserved).

During the period, Thrustmaster became official sponsor of the Collegiate Rocket League National Championship in the United States, boosting awareness of this gamepad among the gaming community. Following its successful launch, the *eSWAP X* gamepad is already well established in the gaming community. To promote the ecosystem, Thrustmaster launched a number of packs in the second half of 2021: the *Red Color Pack*, *LED Crystal Packs* (backlit modules) and the *S2 Mini-Stick Module*. The *eSWAP* family's reputation continues to grow as more and more professional gamers adopt the controller.



At the end of October 2021, Thrustmaster launched the new *ESWAP X FIGHTING PACK* for its *ESWAP X PRO CONTROLLER* officially licensed for Microsoft Xbox. Its two easy-to-use Xbox-like textured triggers, its ultra-responsive "tact switch" buttons for improved feel, and its unique durability make for more intense dueling action.

1.2.4 Flight simulation accessories



The Group is well placed in the flight simulation accessories market.

2021 was a particularly innovative year for flying accessories, with Thrustmaster teaming up with Boeing to create new *Thrustmaster Civil Aviation* peripherals. Following an initial collaboration with the well-known American manufacturer, Thrustmaster injected fresh momentum, developing three new products for Xbox® and PC: the *TCA Yoke Pack Boeing Edition* (the first yoke inspired by the iconic Boeing 787, promising a unique and unrivaled flying experience with Microsoft Flight Simulator), the *TCA Quadrant Boeing Edition* (with dual thrust levers and unrivaled precision for a truly immersive flying experience) and the *TCA Yoke Boeing Edition* (the first official Boeing pendular yoke).

Thrustmaster regularly adds new products to its joystick range, examples being the *TCA CAPTAIN PACK* Airbus bundle and a new version of its Boeing-licensed yoke for Xbox consoles and PC. The launch of *Microsoft Flight Simulator* for the Xbox Series X|S also heightened gamers' interest in the *T-Flight Hotas One* – the only Xbox Series X|S-compatible joystick available when the game was launched.





To help make games even more immersive, Thrustmaster has continued to develop its *Thrustmaster Civil Aviation* ecosystem, launching add-ons like the *TCA Quadrant Add-On Airbus Edition*, an ergonomic Airbus replica that helps gamers confidently pull off even the most complex maneuvers, notably thanks to its speed brake lever. New partnerships with flight simmers – for example former French naval air force fighter pilot Pierre-Henri “ATÉ” Chuet – give virtual pilots access to advice on the best way to master aerial feats like landing on an aircraft carrier.

The launch of *Microsoft Flight Simulator X* for the Xbox Series X|S on July 27 2021 further extended the game's consumer reach. With its *T-Flight Hotas One* joystick, already available for the console, and the launch of the *T-Flight Full Kit X*, which includes a rudder bar for even greater realism, the Group is ideally placed to benefit from this new release.



Buoyant sales of flying accessories in the Airbus range helped the Group deliver a strong performance in 2021.

In 2021, the US joystick market grew 22.6% by value to \$19.83 million. Thrustmaster was number one by both value and volume, strengthening its position in this segment. The *T-Flight Hotas One* joystick was the number one US seller in 2021 by value (source: © 2022 The NPD Group, Inc., All Rights Reserved; Proprietary and Confidential; Property of NPD and its Affiliates; Licensed for Use by NPD Clients Only).

In the top five European countries, the joystick market grew 31.3% by value to €27.94 million. Thrustmaster was number one by both volume and value, with market shares of 60.6% and 60.5% respectively. In Europe, the *HOTAS WARTHOG* joystick was number one by value in 2021 (source: © 2022 GfK, all rights reserved).

1.2.5 eSports

Thrustmaster is very well placed in both the racing and flying segments of the eSports market.

2021 was another busy year for Thrustmaster on the eSports scene. For the second year running, Thrustmaster was official sponsor of the DiRT Rally 2.0 World Series finals. The brand was also official hardware supplier for the third year running to the All-Russian Forza Motorsport Championship, held in June.

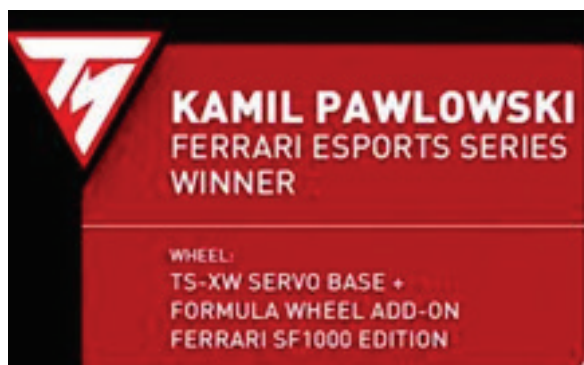
Since 2020, the Covid-19 pandemic has meant physical competitions have taken a back seat to virtual competitions, which have grown considerably and continue to be a big hit even though physical competitions have since resumed.

The eSports segment had a particularly busy end to the year, with Thrustmaster partnering with two major racing competitions: the *Le Mans Virtual Series* (the final of which took place on January 15 and 16, 2022) and the *Ferrari Esports Series* (January 2022). Meanwhile, Thrustmaster is official partner of the *FIA Rally Star* program, designed to detect future rally stars for the Fédération Internationale de l'Automobile (FIA).

1.2.5.1 eSports racing



In January 2021, Thrustmaster entered into a partnership with FIA Rally Star, a three-year program to spot, train and support future racing drivers. Under the deal, Thrustmaster will provide various national motor sport federations with a range of products from its extensive racing ecosystem. At the end of March 2021, Thrustmaster also announced that it would be continuing to work with Ferrari Esports as official technical partner. The brand's ambassadors continued to make waves, with Yuan Yifan crowned the 2020 Formula 1 Esports Series China driver champion. Thrustmaster is also official sponsor of the DiRT Rally 2.0 competition and recently signed up new ambassadors in drift racing and other specialties.



Thrustmaster's sponsored driver Kamil Pawlowski, who has been with the brand since it first ventured into the eSports market, won the Ferrari Esports Series 2021 competition at the end of December.

Thrustmaster continues to partner with the Le Mans Virtual Series. The final competition of the year took place on December 18, 2021 ahead of the final at the Circuit des 24 Heures du Mans in mid-January 2022.



1.2.5.2 eSports flying

Flying remains a fast-moving segment of the eSports market: Thrustmaster is an official partner of Squadron Air-to-Air League (SATAL) in modern combat and also of Top Pilots, featuring civil aviation in 2021 and combat aviation in 2022.

2. RESEARCH AND DEVELOPMENT UNDERTAKEN BY THE COMPANY AND THE GROUP

The Group's global research and development activities are based in four countries (France, Canada, Romania and China) and encompass the design of electronic and mechanical products and the development of embedded software and applications. The Group invests significant amounts in research and development every year.

Its Guillemot Innovation Labs SAS subsidiary, established in 2018, continues to build on its existing expertise in research and development. The subsidiary is involved in the innovation process, using a "design thinking" process to validate the emerging needs of gamers and musicians.

The Group invested €6.5 million in research and development in 2021, equating to 3.7% of consolidated turnover.

3. ANALYSIS OF THE BUSINESS, RESULTS AND FINANCIAL POSITION OF THE COMPANY AND THE GROUP IN FISCAL 2021

▪ Business performance

The Group's turnover was up 47% in full year 2021, coming in at €176.8 million. Growth in the fourth quarter was particularly strong at 65%.

Growth was balanced across all regions, with sales up 41% in North America, 53% in the European Union and the United Kingdom and 38% in the rest of the world.

The Group generated net income from ordinary activities of €33.0 million and consolidated net income of €13.7 million after taking into account an unrealized financial loss of €15.9 million on the Group's portfolio of Ubisoft shares.

The Group's business performance is shaped by a range of factors in a complex economic, logistical and public health environment.

Thrustmaster

- **Flying/joysticks**: 2021 was a particularly innovative year for flying accessories. Thrustmaster teamed up with Boeing to design new *Thrustmaster Civil Aviation* peripherals. Following an initial collaboration with the well-known American manufacturer, Thrustmaster injected fresh momentum into this prestigious partnership by developing three new products for Xbox® and PC: the *TCA Yoke Pack Boeing Edition*, the *TCA Quadrant Boeing Edition* and the *TCA Yoke Boeing Edition*.
- **Racing wheels**: Thrustmaster supported its official drivers in more eSports competitions over the period while continuing to sponsor its partners' global events. The success of the T248 racing wheel

for PlayStation®5, launched in partnership with a number of game developers, generated unprecedented sales momentum. The Xbox One version of the T248 will be launched this spring.

- **Gamepads:** the gamepad range performed very well in the United States, where it occupies a unique high-end position. Increasingly recognized by ranked players, the range will be expanded in 2022 to maximize its potential.

Hercules

Hercules also enjoyed very strong momentum despite some pressure on deliveries to the US and European markets. In mid-November, Hercules unveiled its *DJControl Mix* controller designed for smartphones, in association with Algoriddim djay, one of the world's most popular DJ apps.

This ultra-compact turntable is easy to take anywhere, making it ideal for DJs wanting to unleash their creativity at impromptu parties.

In January, Hercules announced the limited edition *DJControl Inpulse 500 White Edition*. Always keen to stand out from the crowd and build closer ties with its community, Hercules is now offering this new premium bundle in a white edition.

Impact of Covid-19

With lockdowns and stay-at-home measures heightening interest in video games and demand for specialized accessories, the Group's sales were not affected by the public health situation. However, 2021 was marked by supply chain pressures and shortages of electronic components and raw materials.

Results and financial position

The Guillemot Corporation Group's turnover grew 47% in 2021 to €176.8 million, translating into net income from ordinary activities of €33.0 million, up from €19.0 million in 2020.

The Group posted net operating income of €33.0 million in 2021, compared with €23.1 million in 2020. Consolidated net income totaled €13.7 million, compared with €29.8 million the previous year. This includes a financial loss of €15.9 million arising from a revaluation loss on the portfolio of Ubisoft Entertainment shares held by the Group.

Shareholders' equity stood at €90.4 million at December 31, 2021. The Group's financial structure is robust, with net debt negative at -€5.2 million at December 31, 2021 (excluding the portfolio of available-for-sale securities: €19.1 million), compared with a negative net debt position of -€18.2 million at December 31, 2020.

3.1 2021: a dynamic year for the Group

Global demand was very buoyant and continued to grow throughout 2021. Growth was evenly spread across the Group's key geographical regions, with turnover up 41% in North America, 53% in the European Union and the United Kingdom and 38% in the rest of the world.

In 2021, the Group saw strong demand across the board in the European Union, the United States and Asia.

The Group worked hard to:

- maintain a good level of production throughout the year despite pressure on components and ensure that the supply chain continued to run smoothly;
- maximize sales of standard product ranges and successfully launch and establish key new Thrustmaster and Hercules products (particularly the *T248* racing wheel, the *TCA Yoke Pack Boeing Edition* and the *DJControl Mix*), resulting in significantly higher consumer sales in the run-up to the year-end;
- ship volume direct to major customers, in particular leading global e-tailers, thus better anticipating consumer demand;
- respond to rising logistics costs from the summer onward by making moderate price adjustments without adversely affecting its competitiveness.

Sales outside France totaled €161.8 million in 2021, accounting for 91% of total consolidated turnover.

The key challenge in 2021 was maintaining uninterrupted deliveries mainly to the United States and Europe despite supply chain issues both in Asia and locally in the United States. Procurement lead times virtually doubled and freight and container costs remained very high.

▪ North America

The Group's North American sales grew 41% in the year, rising from €35.4 million to €49.9 million.

▪ European Union and United Kingdom

The Group's turnover in these two combined regions grew 53% in 2021, up from €61.1 million to €93.6 million.

▪ Other countries

Sales in other countries also grew 38% over the period, up from €24.1 million to €33.3 million.

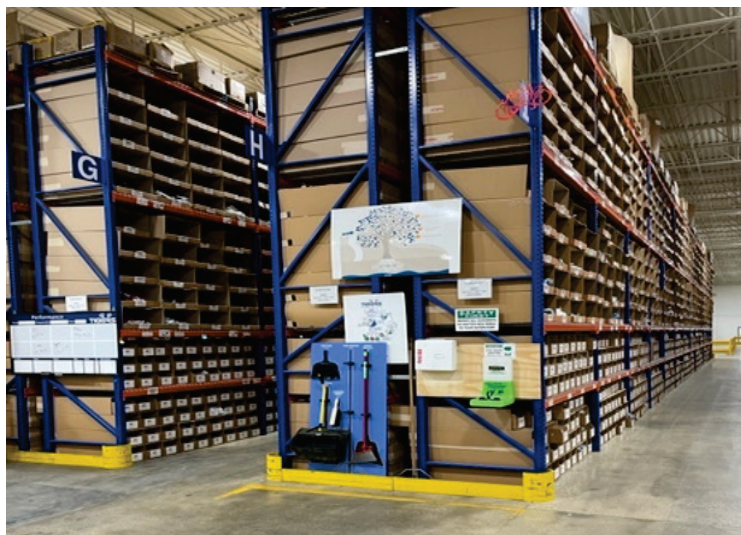
The Group's huge network of distributors includes the following:

- Europe and Russia: Amazon, Auchan, Intertoys, Boulanger, Carrefour, Casino, Cdiscount, Conforama, Cora, Dixon, El Corte Ingles, Eldorado, Eroski, Euronics, Fnac, Game UK, Grosbill.com, Intertoys, LDLC.com, Leclerc, Maplin, Makro, Media Markt, Micromania, M Video, Netto, Rue du Commerce, Sainsbury's, Saturn, Sonai, Tesco, Thomann, Toys "R" Us, Unieuro, Worten, etc.

- North America: Amazon.com, Target, Best Buy, Buy.com, Costco, Fry's, Gamestop, Walmart, Guitar Center, Meijer, Micro Center, New Egg, B&H, Videotron, Sam Ash, Musician's Friend, etc.

- South America: Carrefour, Walmart, Fnac, Saraiva, Extra, Fast, etc.

3.2 A cutting-edge global supply chain



The Group covers three global regions that account for the majority of high-tech product sales in North and South America, Europe and Asia and optimizes logistics by shipping direct to each continent from production sites in Asia.

The Group has its own international logistics base in France with extensive storage capacity, enabling it to serve the whole of Europe, including Eastern Europe. However, it uses logistics providers based in the United States, Hong Kong, Yantian and Shanghai to handle both wholesale sales and e-commerce, enabling the Group to ship to all continents.

Thanks to the development and evolution of its logistics platforms in Asia (Hong Kong since early 2013 and Yantian since 2020), the Group continues to optimize deliveries to its European, Asian and American customers by shipping direct from Asia, enabling it to optimize its supply chain.

A key issue in 2021 was the shortage of sea freight. The Group worked with its logistics and transit partners to build out its transportation capability, adding rail to the mix, and was able to meet the supply needs of its production platforms and provide transportation solutions for its European and North American customers. A new third-party US logistics hub, opened in late 2021, will help optimize e-commerce deliveries in North American. By diversifying shipping options from Asia to include sea and rail freight services, the Group helped all its customers route goods to their desired destinations and provide faster shipping while continuing to reduce the environmental impact of transportation.

3.3 A constantly evolving customer support service

The Group's customer service is provided by technical advisors based in France, Canada (Montreal) and Romania (Bucharest). In 2021, the Group expanded its customer service workforce to meet growing demand. Customer service for China and Japan is handled by a subcontractor. Customers receive support within short lead times thanks to a logistics team that ships out replacement parts and two repair centers (in France and Canada) that repair products both under warranty and out of warranty. Requests are received via e-mail, live chat and telephone in seven languages. An increase in the number of available spare parts has reduced the

carbon impact of shipping products back to repair centers, which are able to quickly and efficiently respond to customer requests and lengthen product lifespans. In 2021, the Company implemented a new customer relationship management (CRM) system to centralize customer information and make customer service more efficient.

3.4 The Group's competitive environment

The Group operates in fiercely competitive, diversified markets, offering products aimed at gaming fans and music enthusiasts with its DJing and speaker lines, gamepads and audio headsets for online gamers, and PC and console gaming accessories. The presence of a number of international players means the markets in which the Group operates are highly competitive. However, the success of its growth strategy depends first and foremost on its innovative, high-quality products and the strong image projected by its two brands, Hercules and Thrustmaster.

The market is characterized in particular by a growing reliance on technological advances linked to changing consumer behaviors. Convinced that the success of its product ranges is built on its international positioning, the Group aims to be the number one player in each of its business areas in every one of the countries in which it operates. Against this backdrop, the Group enjoys a significant competitive edge and works hard to anticipate demand and constantly reinvent its products.

The Group's research and development capability and expertise in innovation are key drivers of differentiation thanks to its innovative products. Indeed, innovation is at the heart of the Group's differentiation strategy. This strategic emphasis is consistent with consumers' expectations. Thanks to its accumulated know-how, the commitment of its research and development, sales and marketing teams, and its technological expertise, the Group is able to create unique, differentiated products that help it more effectively meet the needs of gamers around the world.

Key competitors by product category	
DJing	American Audio, M Audio, Native Instruments, Numark, Pioneer, Denon DJ, Roland
PC gaming accessories	Corsair, Fanatec, Logitech, Razer, Steelseries, Nacon, Honeycomb, Turtle Beach
Console gaming accessories	Big Ben Interactive, Fanatec, Hori, Microsoft, PDP, Razer, Sony, Corsair, Turtle Beach
Online gaming headsets	Astro, HyperX, Logitech, PDP, Plantronics, Razer, Sennheiser, SteelSeries, Turtle Beach
Gamepads	Microsoft, Nacon, Nintendo, PDP, Astro, Sony, Razer, Steelseries, Scuf, Hori, Turtle Beach

3.5 Diversified global media coverage including increased use of social media

The Group has strengthened its communications strategy to make more use of new technologies by developing its social media presence in keeping with current trends and optimizing its public visibility. The French and international specialist press keeps a close eye on the Group's product ranges, which regularly receive awards all over the world and fare well in benchmarking tests highlighting their quality, originality and reliability. The Group also relies on YouTubers and influencers to highlight its products and promote them within the gaming and DJ communities and boost the social media visibility of its two brands.

New channels like Twitch and TikTok offer a range of exciting new possibilities for the Group to communicate differently.

3.5.1 Hercules range

Hercules products often garner awards and receive press and video coverage.

Since 2020, Hercules has stepped up its social media presence to boost its visibility.

Many influencers from around the world posted videos highlighting Hercules controllers in 2021:

- Global influencer *DJ Habibeats*, who has over 881,000 followers, posted a video of the *Hercules DJControl Mix* deck, greatly increasing the visibility of this controller.
- A video posted by French influencer *Heiva* with over 20,000 views demonstrated how the *Hercules DJControl Mix* controller can be used to mix anywhere – even in an Alpine sports car on a Formula 1 track.

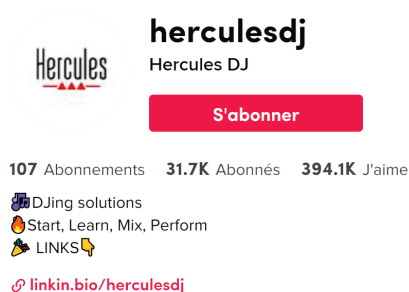


- DJ Jetber from Mexico used the *DJControl Mix* deck to mix more than a thousand meters up at the top of the Teotihuacan pyramid.



- On November 17, 2021, the day the *DJControl Mix* was launched, world-renowned DJ Carlo Atendido had his biggest YouTube hit with a video of the controller that garnered over a million views in less than three months.

The Hercules TikTok account has more than 31,000 followers.



On January 4, 2022, well-known Italian newspaper [Metropolis](#) described the *DJControl Mix* as follows: “a very attractive controller from Hercules, owned by French company Guillemot Corporation, a pioneer and leader in the DJ sector. [...] The Hercules DJControl Mix is an excellent starting point for anyone wanting to get into the world of digital DJing and a great way to have fun with music any time, anywhere”.

Con il DJControl Mix ed uno smartphone si può far festa ovunque

Gennaro Annunziata



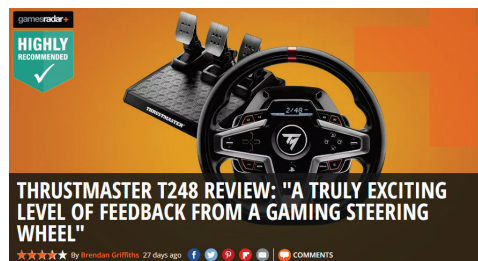
Un controller portatile a due canali, che si collega, via Bluetooth, ai dispositivi mobili con sistema operativo Android o iOS

3.5.2 Thrustmaster range

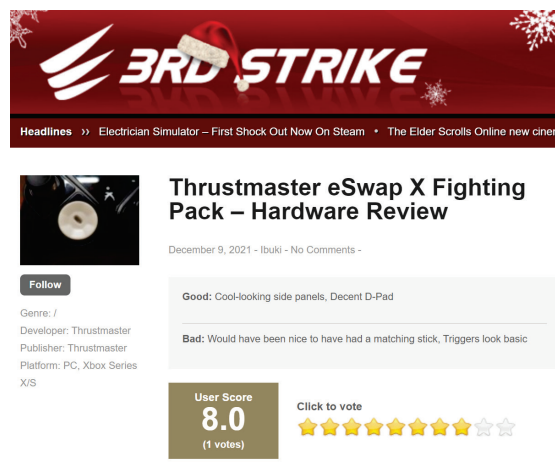
On August 5, 2021, French website www.jeuxvideo.com awarded the *TLCM* 4.5 out of 5 stars for, among other things, "the quality of its finish and its simple and effective configuration".



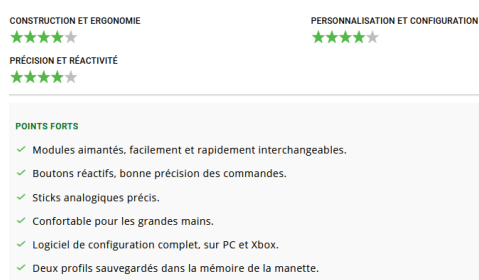
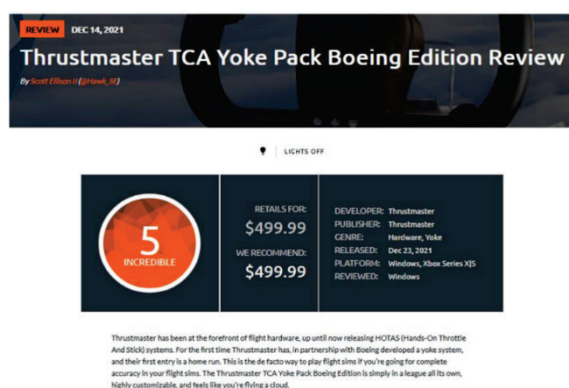
Website www.gamesradar.com, which receives nearly 30,000 visits a month, strongly recommended Thrustmaster's *T248* racing wheel.



Website <https://3rd-strike.com/> awarded the *eSwap X Fighting Pack* gamepad a score of 8 out of 10 on December 9, 2021.



On December 14, 2021, US website www.savingcontent.com awarded the *TCA Pack Boeing Edition* yoke a score of 5 out of 5.



Website www.lesnumeriques.com awarded the *eSWAP X PRO CONTROLLER* gamepad 4.5 stars, commenting that “its modularity and customizability set this controller apart from its peers”.



On December 17, 2021, Japanese influencer *FlightClues*, who has over 3,000 followers, posted a video praising both the *TCA Yoke Pack Boeing Edition* and the *TCA Quadrant Boeing Edition*.

4. GROUP RESULTS AND PRESENTATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

4.1 Group key figures and segment information

4.1.1 Key figures

Key figures from Guillemot Corporation’s consolidated financial statements for the year ended December 31, 2021 are as follows:

(€m)	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Turnover	176.8	120.6	60.9
Net income from ordinary activities	33.0	19.0	-2.6
Net operating income	33.0	23.1	-2.6
Net financial income*	-16.4	7.4	-4.6
Consolidated net income	13.7	29.8	-6.42
Basic earnings per share	€0.90	€1.95	-€0.42
Shareholders’ equity	90.4	79.7	50.3
Net debt (excl. AFS securities)**	-5.2	-18.2	10.2
Inventories	40.9	20.6	21.4
Intangible assets	16.2	15.4	11.4
Current financial assets (AFS securities portion)	19.1	35.0	27.3

* Net financial income includes the cost of net financial debt as well as other financial expenses and income.

** Available-for-sale (AFS) securities are not taken into account when calculating net debt (cf. section 5.7.13 of the notes to the consolidated financial statements).

Consolidated annual turnover in fiscal year 2021 totaled €176.8 million, up 47% year on year. Net income from ordinary activities came in at €33.0 million, compared with €19.0 million in the year to December 31, 2020.

Net operating income came in at €33.0 million, compared with €23.1 million in 2020.

The net financial expense of €16.4 million included a €15.9 million revaluation loss on current financial assets (available-for-sale securities) consisting of Ubisoft Entertainment shares.

Net profit for the year came in at €13.7 million, compared with €29.8 million in 2020, after taking into account a €2.9 million tax expense in the year.

Current financial assets totaled €19.1 million at December 31, 2021, consisting of 443,874 Ubisoft Entertainment shares.

Net debt excluding available-for-sale (AFS) securities was negative at -€5.2 million.

Shareholders' equity increased from €79.7 million to €90.4 million.

4.1.2 Segment information

Detailed segment information is set out in note 5.6 to the consolidated financial statements.

4.1.3 Breakdown of turnover

▪ By business segment

(€m)	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Hercules	9.0	8.0	4.7
Standard product lines	8.1	7.2	4.1
OEM*	0.9	0.8	0.6
Thrustmaster	167.8	112.6	56.2
Standard product lines	167.8	112.6	56.2
OEM	0.0	0.0	0.0
TOTAL	176.8	120.6	60.9

* Accessories developed for third party companies (Original Equipment Manufacturers).

▪ By geographical region

(€m)	Dec 31, 2021	Dec 31, 2020	Change
European Union	93.6	61.1	53%
North America	49.9	35.4	41%
Other	33.3	24.1	38%
TOTAL	176.8	120.6	47%

4.1.4 Breakdown of net operating income by business area

(€m)	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Hercules	0.0	-0.2	-1.7
Thrustmaster	33.0	23.3	-0.9
TOTAL	33.0	23.1	-2.6

4.2 Presentation of the financial statements for the year ended December 31, 2021 and appropriation of income

4.2.1 Comments on the Group's consolidated financial statements

4.2.1.1 Income statement

During the fiscal year, the Group generated consolidated turnover of €176,755k excluding taxes.

The main operating expenses were purchases totaling €102,391k.

External expenses of €31,372k mainly consisted of transportation, advertising and marketing costs.

Employee expenses totaled €12,825k, while additions to amortization, depreciation and provisions totaled €6,679k.

Taxes and duties totaled €714k and other income and expenses netted out at an €11,557k expense.

Net income from ordinary activities totaled €32,999k.

Net operating income came in at €32,999k.

The cost of net financial debt was €112k and other financial income and expenses netted out at a €16,294k expense, including a €15,877k revaluation loss on the Group's holding of Ubisoft Entertainment shares.

After taking into account these items and a €2,887k tax expense, the Group posted net income of €13,707k. Basic earnings per share came out at €0.90.

4.2.1.2 Balance sheet

Non-current assets consisted of €16,176k in net intangible assets, €5,176k in net property, plant and equipment, €473k in financial assets, €359k in tax assets and €5,312k in deferred tax assets.

Current assets included the following items:

- Inventories with a net value of €40,925k, taking into account €2,770k in impairment charges
- Trade receivables with a net value of €59,872k, taking into account €65k in provisions for doubtful accounts
- Other receivables with a net value of €6,609k, mainly consisting of receivables in relation to value added tax and advances and progress payments made
- Financial assets totaling €19,118k and cash and cash equivalents totaling €12,027k

Shareholders' equity stood at €90,426k.

Non-current liabilities totaled €3,473k, including borrowings of €2,096k.

Current liabilities totaled €72,305k, including €4,770k in foreign currency borrowings and advances.

Cash flows from operating activities may be broken down as follows:

	At Dec 31, 2021
Net income from consolidated companies	13,707
+ Dotations aux amortissements et provisions	4,880
- Reprises des amortissements et provisions	-23
-/+ Gains et pertes latents liés aux variations de juste valeur	15,877
+/- Expenses and income arising from stock options	50
-/+ Plus et moins-values de cession	-7
Change in deferred taxes	-1,828
Operating cash flow after cost of financial debt	32,656
Cost of financial debt	112
Operating cash flow before cost of financial debt	32,768
Currency translation adjustment on gross cash flow from operations	23
Change in working capital	-36,675
Net cash flows from operating activities	-3,996
Cash flows from investing activities	
Cash flows from property, plant and equipment and intangible assets	-5,431
Cash flows from non-current financial assets	13
Net cash flows from investing activities	-5,418
Cash flows from financing activities	
Dividends paid	-3,818
Borrowings	1,328
Repayment of borrowings	-5,120
Other cash flows from financing activities	-222
Total cash flows from financing activities	-7,832
Impact of foreign currency translation adjustments	239
Change in cash	-17,007
Net cash at the beginning of the period	29,013
Net cash at the end of the period	12,006

The Group's operating cash flow after the cost of financial debt in fiscal year 2021 totaled €32,656k.

The Group's working capital increased by €36,675k in fiscal year 2021 as a result of increases in trade receivables and inventories.

Cash flows from investing activities consisted of capitalized research and development costs and equipment used in the production of new products.

Cash flows from financing activities included repayments on medium-term loans taken out in 2019 to finance new research and development projects and changes in working capital.

4.2.2 Comments on the Guillemot Corporation S.A. parent company financial statements

4.2.2.1 Income statement

Guillemot Corporation S.A. generated turnover of €168,762k in the fiscal year.

Operating income totaled €190,996k.

The main operating expenses were purchases consumed totaling €93,822k and external expenses of €46,792k.

External expenses mainly consisted of subcontracting costs, development costs, and transportation, advertising and marketing costs.

Taxes and duties and employee expenses totaled €698k and other expenses came in at €14,504k.

Additions to amortization and depreciation totaled €2,513k.

Additions to provisions on current assets totaled €2,263k.

The company recognized an €828k provision for product returns.

Net operating income (total operating income less total operating expenses) came in at €30,404k.

Taking into account net financial income of €1,886k, a net non-recurring expense of €226k and a corporate income tax expense of €4,018k, net income totaled €28,046k.

Financial income may be broken down as follows:

Foreign currency translation adjustments:	€128k
Interest income and expenses:	-€55k
Net income from disposals of AFS securities:	€217k
Additions to and reversals from provisions:	€1,529k
Income from equity interests:	€67k

Interest income mainly consisted of €8k in current account interest and €15k in respect of a current account advance to subsidiary Guillemot GmbH (Germany) with a clawback provision, which was reinstated in the balance sheet after having been waived by the parent company in 2004.

Financial expenses mainly consisted of €64k in interest charges on borrowings and bank balances and €21k in current account interest charges.

Net income from disposals of treasury shares under the liquidity agreement in force totaled €217k.

Write-backs of impairment on shares of subsidiaries totaled €1,569k, while reversals of provisions on current account advances totaled €16k.

Additions to provisions on shares of subsidiaries totaled €56k.

The Company recognized exceptional amortization of €220k on development costs and equipment no longer meeting the criteria for capitalization.

The main interim management figures are as follows:

Production in the year:	€186,651k
Value added:	€46,037k
Earnings before interest, tax, depreciation and amortization:	€45,339k

4.2.2.2 Balance sheet

Net fixed assets totaled €27,289k, consisting of €15,755k in intangible assets, €2,317k in property, plant and equipment and €9,217k in non-current financial assets.

Intangible assets included development costs with a net value of €5,673k. Development costs of €133k no longer meeting the criteria for capitalization were retired from the balance sheet.

The net value of inventory stood at €36,126k.

Trade receivables totaled €49,904k, taking into account €793k in provisions for doubtful accounts, including intragroup impairment charges of €728k.

Other receivables with a net value of €1,200k mainly consisted of current account advances to subsidiaries with a net value of €265k, tax receivables totaling €927k and credit notes receivable totaling €8k.

The net value of available-for-sale securities totaled €7,306k, including 36,040 treasury shares with a net value of €539k and 443,874 Ubisoft Entertainment S.A. shares with a purchase cost of €6,767k.

Shareholders' equity totaled €69,144k.

Debt may be broken down as follows:

SCHEDULE OF DEBTS (€k)	At Dec 31, 2021
Borrowings from credit institutions	4,499
Bond issue	0
Medium-term bank loans	56
Bank overdrafts and foreign currency advances	19
Trade payables	41,802
Taxes and social security payable	1,762
Other liabilities	6,779
Payables to fixed asset suppliers	21
Group and affiliates	2,084
TOTAL	57,022
Borrowings taken out during the period	0
Reduction in borrowings via conversion of bonds	0
Reduction in borrowings via repayment	4,395
Debts owed to individuals	0

Cash flows from operating activities may be broken down as follows:

(€k)	At Dec 31, 2021
Net income	28,046
Additions to and reversals of amortization, depreciation and provisions (1)	1,091
Capital gains and losses on disposals	0
Cash generated from operations	29,137
Change in operating cash requirement	-38,041
Change in non-operating cash requirement	5,154
Change in working capital	-32,887
Cash flows from investing activities	
Outflows – acquisitions of intangible assets	-3,317
Outflows – acquisitions of property, plant and equipment	-1,470
Inflows – disposals of property, plant and equipment and intangible asset	0
Outflows – acquisitions of non-current financial assets	-35
Inflows – disposals of non-current financial assets	20
Acquisitions – disposals of subsidiaries	0
Total cash flows from investing activities	-4,802
Increases in capital and capital injections	0
Dividends paid	-3,818
Borrowings	0
Repayments of borrowings	-4,395
Total cash flows from financing activities	-8,213
Change in cash	-16,765
Net cash at the beginning of the period (2)	33,353
Net cash at the end of the period (2)	16,588

- (1) Excludes additions to and reversals of impairment losses on available-for-sale securities.
- (2) Includes net amount of available-for-sale securities.

4.2.2.3 Information on payment terms

Outstanding invoices received and issued at the last balance sheet date (table required pursuant to the first paragraph of Article D.441-6 of the French Commercial Code)												
(€k)	Article D.441-6 I-1: Invoices received outstanding at the last balance sheet date						Article D.441-6 I-2: Invoices issued outstanding at the last balance sheet date					
	0 days (indicative)	1-30 days	31-60 days	61-90 days	91 or more days	Total (1 or more days)	0 days (indicative)	1-30 days	31-60 days	61-90 days	91 or more days	Total (1 or more days)
(A) Late payment tranches												
Number of invoices concerned	535					203	1236					907
Total value of invoices concerned (excl. taxes)	6,764	1,433	1,260	415	484	3,591	37,260	3,166	5,812	1,644	798	11,387
Percentage of total value of purchases in the year (excl. taxes)	5%	1%	1%	0%	0%	3%						
Percentage of turnover in the year (excl. taxes)							21%	2%	3%	1%	0%	7%
(B) Invoices not included in (A) relating to disputed or unrecognized payables and receivables												
Number of invoices not included												
Total value of invoices not included (excl. taxes)												
(C) Benchmark payment terms used (contractual or statutory)												
Payment terms used to calculate late payment	Contractual terms: 0-120 days Statutory terms:						Contractual terms: 0-120 days Statutory terms:					

4.2.2.4 Appropriation of income

After deducting all expenses, taxes and amortization, the parent company financial statements presented to you show a profit of €28,045,631.22, which we propose be apportioned as follows:

- Other reserves: €24,223,761.22
- Dividends: €3,821,870

In accordance with the provisions of Article 243 *bis* of the French General Tax Code, you are reminded that the following dividends have been paid in respect of the past three fiscal years:

	2020	2019	2018
Number of shares	15,287,480	15,287,480	15,287,480
Dividend per share	€0.25	0	€0.13
Total dividend ^{(1) (2)}	€3,821,870	0	€1,987,372.40

(1) These figures do not include any amounts not paid out in respect of treasury shares.

(2) Dividends eligible for the 40% tax relief referred to in Article 158 3 (2) of the French General Tax Code.

4.2.2.5 Non-tax-deductible expenses

In accordance with the provisions of Articles 223 *quater* and 223 *quinquies* of the French General Tax Code, you are advised that the financial statements for the past fiscal year do not include any expenses not deductible from taxable profit.

5. POTENTIAL DEPENDENCIES OF THE COMPANY AND THE GROUP

The Group operates in the consumer computing and video game consoles market and supplies consumer accessories.

For the Thrustmaster range, the ability to market new designs and accessories requires the approval of gaming console manufacturers and licensing deals with those manufacturers.

6. INVESTMENT POLICY

For the past several years, the Group's investment policy has consisted of creating added value and building robust fundamentals through recurring investment in research and development. Investment in research and development equated to 3.7% of turnover in 2021, while research and development personnel accounted for over 30% of the Group's workforce.

The Group's principal investments are described in sections 5.7.2, "Intangible assets", and 5.7.3, "Property, plant and equipment", of the notes to the consolidated financial statements.

7. STRATEGY AND OBJECTIVES OF THE COMPANY AND THE GROUP

The Group intends to consolidate its leading position in flying accessories and is working to grow its market share in racing accessories.

To this end, while continuing to shift its offering for racing enthusiasts further upmarket, the Group will be expanding its range to offer more consumers the opportunity to enjoy the benefits of Force Feedback thanks to more affordable racing wheels equipped with this technology.

As regards Hercules music products, the Group has this year broadened the range's consumer appeal by adding smartphone DJ controllers and is working on innovative new controllers that will make it the ideal partner for DJs keen to learn and master new techniques.

The Group anticipates changes in its production and transportation methods to improve its carbon footprint.

8. FORESEEABLE CHANGES IN THE POSITION OF THE COMPANY AND THE GROUP

For full year 2022, the Group continues to forecast turnover in excess of €200 million and is forecasting net income from ordinary activities in excess of €30 million.

These forecasts are based on the following key assumptions:

- Assumptions about factors under the influence of the Group's management bodies:

- Implementation and success of the Group's strategy as set out in section 7
- Continued investment to build added value as set out in section 6
- Assumptions about factors outside the influence of the Group's management bodies:
 - No marked deterioration in consumer spending or the video games market in the second half of the year
 - No further deterioration in the public health or supply chain situation

9. SIGNIFICANT EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On February 24, 2022, Russia launched a military offensive against Ukraine in violation of international law, resulting in many countries imposing economic sanctions on Russia.

The Guillemot Corporation Group's exposure is as follows: In 2021, the Group generated turnover of €3 million with Russia and Ukraine, equating to 1.7% of consolidated total turnover. Relevant trade receivables at February 24, 2022 totaled €0.9 million and are 95% covered by a credit insurance policy.

On March 13, 2022, the Chinese Government imposed a strict lockdown on Shenzhen due to an increase in the number of Covid cases. This has caused intermittent disruption to the Group, affecting production and container shipping to customers.

The Group expects the public health, logistical and geopolitical situation to remain complex in 2022 and is putting in place policies to cushion the effects on growth.

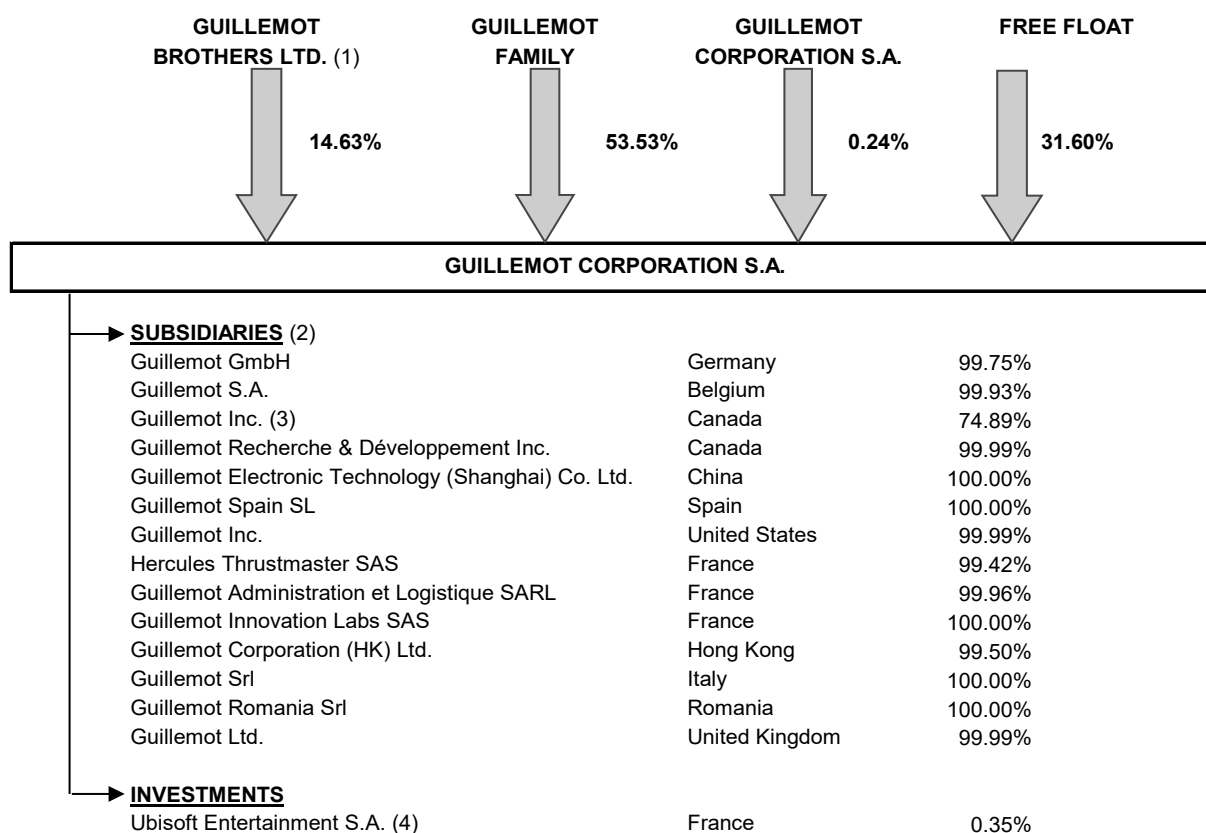
10. MATERIAL CHANGES IN THE GROUP'S FINANCIAL OR COMMERCIAL POSITION SINCE THE END OF THE FISCAL YEAR

There have been no material changes in the Group's financial or commercial position since the end of the fiscal year.

11. SUBSIDIARIES AND INVESTMENTS

11.1 Guillemot Corporation Group organization chart at December 31, 2021

The percentages shown below correspond to the proportion of capital held.



At December 31, 2021, [Guillemot Corporation S.A.](#) had no branches other than the subsidiaries listed above.

11.2 Parent company

[Guillemot Corporation S.A.](#), the Group's parent company, markets Hercules- and Thrustmaster-branded hardware and accessories to the Group's customers with the exception of those in North America, who are supplied directly by Canadian subsidiary Guillemot Inc., and those in China, who are supplied directly by Chinese subsidiary Guillemot Electronic Technology (Shanghai) Co. Ltd.

The Company owns the Hercules and Thrustmaster brands and makes the necessary marketing investment in those brands.

The Company centrally manages billing of its products in all countries (with the exception of North America and China). To reduce the number of billing and shipping points, its products are marketed and sold by specialized wholesalers in each country.

Products are manufactured by subcontractors, most of whom are located in Asia. The Company provides its subcontractors with designs, key components (secured directly from technology suppliers) and, in some cases, specific equipment.

The Company holds substantially all the shares of consolidated Group companies (there being no minority interests in consolidated companies).

The executives of Guillemot Corporation S.A. oversee the Group's subsidiaries.

The Company holds the Group's main financial resources (equity, bank borrowings and other borrowings). It grants interest-bearing current account advances to subsidiaries requiring financing.

11.3 Marketing and sales subsidiaries

These subsidiaries are responsible for promotion, marketing and sales in the countries in which they are located and within their areas of influence. The Group controls marketing companies in France, Germany, China, Spain, Italy and the United Kingdom, and distributes its products in 150 countries. Furthermore, Hercules Thrustmaster SAS designs interactive entertainment accessories for PCs and gaming consoles and interactive entertainment hardware for PCs. It manages development projects, marketing activities and purchases and sales in relation to those products.

11.4 Research and development subsidiaries

These subsidiaries are responsible for designing and producing the products marketed by the Group. The Group has five research and development entities: Hercules Thrustmaster SAS and Guillemot Innovation Labs SAS in France, Guillemot Recherche & Développement Inc. in Canada, Guillemot Romania Srl in Romania and Guillemot Corporation (HK) Ltd. in China.

11.5 Other subsidiaries

Guillemot Administration et Logistique SARL, based in France, is responsible for product packaging and shipping. It also has responsibility for maintaining and developing equipment and computer systems as well as for accounting, financial management and legal affairs on behalf of the Group.

12. INFORMATION ABOUT THE COMPANY AND ITS SHARE CAPITAL

12.1 Information about the Company's share capital

12.1.1 Share capital at December 31, 2021

At the most recent balance sheet date of December 31, 2021, the share capital totaled €11,771,359.60, made up of 15,287,480 ordinary shares with a par value of €0.77 each.

There were no changes in the share capital during the fiscal year ended December 31, 2021, nor have there been any such changes since that date.

A schedule of changes in equity since the formation of Guillemot Corporation S.A is set out in section 18 of the Management Report.

12.1.2 Breakdown of share capital and voting rights

12.1.2.1 Changes over the past three years

There were no material changes in the breakdown of the Company's share capital during the fiscal year ended December 31, 2021.

Guillemot Corporation S.A. is jointly controlled by Guillemot Brothers Ltd. and the members of the Guillemot family. The Company has not taken any special steps to ensure that control is not wrongfully exercised other than appointing two independent directors to the Board of Directors: Marie-Hélène Lair and Maryvonne Le Roch-Nocera.

At December 31, 2021, the Guillemot family group directly and indirectly held 68.16% of the share capital and 81.10% of voting rights exercisable at shareholders' general meetings.

To the Company's knowledge, no shareholders other than those referred to in the tables below directly or indirectly hold more than 5% of the Company's share capital or voting rights.

The Company does not have any information on identifiable bearer shares that might enable it to indicate how many shareholders it has or provide a breakdown of ownership between resident and non-resident shareholders or between private shareholders and institutional investors.

At December 31, 2021, the Company had no employee shareholders as defined in Article L.225-102 of the French Commercial Code.

At December 31, 2021						
Shareholder	Number of shares	% of capital	Number of theoretical voting rights	% of theoretical voting rights	Number of voting rights exercisable at shareholders' general meetings	% of voting rights exercisable at shareholders' general meetings ⁽¹⁾
GUILLEMOT BROTHERS LTD ⁽²⁾	2,236,122	14.63%	4,472,244	17.39%	4,472,244	17.41%
Claude Guillemot	1,224,574	8.01%	2,449,148	9.52%	2,449,148	9.54%
Michel Guillemot	1,054,059	6.89%	2,108,118	8.20%	2,108,118	8.21%
Gérard Guillemot	983,736	6.43%	1,967,472	7.65%	1,967,472	7.66%
Christian Guillemot	708,587	4.64%	1,417,174	5.51%	1,417,174	5.52%
Yves Guillemot	675,660	4.42%	1,351,320	5.25%	1,351,320	5.26%
Yvette Guillemot	12,553	0.08%	13,355	0.05%	13,355	0.05%
Other members of the Guillemot family ⁽⁴⁾	3,524,738	23.06%	7,049,476	27.41%	7,049,476	27.45%
Together	10,420,029	68.16%	20,828,307	80.98%	20,828,307	81.10%
Treasury shares ⁽³⁾	36,040	0.24%	36,040	0.14%	0	0.00%
Free float	4,831,411	31.60%	4,855,016	18.88%	4,855,016	18.90%
TOTAL	15,287,480	100.00%	25,719,363	100.00%	25,683,323	100.00%

At December 31, 2020						
Shareholder	Number of shares	% of capital	Number of theoretical voting rights	% of theoretical voting rights	Number of voting rights exercisable at shareholders' general meetings	% of voting rights exercisable at shareholders' general meetings ⁽¹⁾
GUILLEMOT BROTHERS LTD ⁽²⁾	2,236,122	14.63%	4,472,244	17.43%	4,472,244	17.46%
Claude Guillemot	1,224,574	8.01%	2,449,148	9.55%	2,449,148	9.56%
Michel Guillemot	1,054,059	6.89%	2,108,118	8.22%	2,108,118	8.23%
Gérard Guillemot	983,736	6.43%	1,967,472	7.67%	1,967,472	7.68%
Yves Guillemot	814,573	5.33%	1,629,146	6.35%	1,629,146	6.36%
Christian Guillemot	773,715	5.06%	1,283,055	5.00%	1,283,055	5.01%
Yvette Guillemot	12,553	0.08%	13,355	0.05%	13,355	0.05%
Other members of the Guillemot family ⁽⁴⁾	3,524,738	23.06%	7,042,391	27.45%	7,042,391	27.50%
Together	10,624,070	69.49%	20,964,929	81.72%	20,964,929	81.85%
Treasury shares ⁽³⁾	42,232	0.28%	42,232	0.16%	0	0.00%
Free float	4,621,178	30.23%	4,647,768	18.12%	4,647,768	18.15%
TOTAL	15,287,480	100.00%	25,654,929	100.00%	25,612,697	100.00%

At December 31, 2019						
Shareholder	Number of shares	% of capital	Number of theoretical voting rights	% of theoretical voting rights	Number of voting rights exercisable at shareholders' general meetings	% of voting rights exercisable at shareholders' general meetings ⁽¹⁾
GUILLEMOT BROTHERS LTD ⁽²⁾	2,236,122	14.63%	4,472,244	17.50%	4,472,244	17.57%
Claude Guillemot	1,224,574	8.01%	2,434,148	9.52%	2,434,148	9.56%
Michel Guillemot	1,054,059	6.89%	2,093,118	8.19%	2,093,118	8.22%
Christian Guillemot	1,273,715	8.33%	1,755,555	6.87%	1,755,555	6.90%
Gérard Guillemot	983,736	6.43%	1,952,472	7.64%	1,952,472	7.67%
Yves Guillemot	814,573	5.33%	1,614,146	6.32%	1,614,146	6.34%
Yvette Guillemot	12,553	0.08%	13,355	0.05%	13,355	0.05%
Other members of the Guillemot family ⁽⁴⁾	3,524,738	23.06%	7,042,391	27.56%	7,042,391	27.66%
Together	11,124,070	72.77%	21,377,429	83.65%	21,377,429	83.98%
Treasury shares ⁽³⁾	100,781	0.66%	100,781	0.39%	0	0.00%
Free float	4,062,629	26.57%	4,079,093	15.96%	4,079,093	16.02%
TOTAL	15,287,480	100.00%	25,557,303	100.00%	25,456,522	100.00%

(1) Some of the shares held by members of the Guillemot family carry double voting rights.

(2) Wholly controlled by members of the Guillemot family.

(3) Treasury shares with no voting rights.

(4) Spouses and descendants of Messrs. Claude, Michel, Yves, Gérard and Christian Guillemot, none of whom individually holds 5% or more of the company's share capital or voting rights.

12.1.2.2 Breakdown of share capital and voting rights at February 28, 2022

At February 28, 2022						
Shareholder	Number of shares	% of capital	Number of theoretical voting rights	% of theoretical voting rights	Number of voting rights exercisable at shareholders' general meetings	% of voting rights exercisable at shareholders' general meetings ⁽¹⁾
GUILLEMOT BROTHERS LTD ⁽²⁾	2,236,122	14.63%	4,472,244	17.46%	4,472,244	17.48%
Claude Guillemot	1,224,574	8.01%	2,449,148	9.56%	2,449,148	9.57%
Michel Guillemot	1,054,059	6.89%	2,108,118	8.23%	2,108,118	8.24%
Gérard Guillemot	983,736	6.43%	1,967,472	7.68%	1,967,472	7.69%
Yves Guillemot	675,660	4.42%	1,351,320	5.27%	1,351,320	5.28%
Christian Guillemot	608,587	3.98%	1,217,174	4.75%	1,217,174	4.76%
Yvette Guillemot	12,553	0.08%	13,355	0.05%	13,355	0.05%
Other members of the Guillemot family ⁽⁴⁾	3,524,738	23.06%	7,049,476	27.52%	7,049,476	27.56%
Together	10,320,029	67.51%	20,628,307	80.52%	20,628,307	80.63%
Treasury shares ⁽³⁾	35,257	0.23%	35,257	0.14%	0	0.00%
Free float	4,932,194	32.26%	4,954,199	19.34%	4,954,199	19.37%
TOTAL	15,287,480	100.00%	25,617,763	100.00%	25,582,506	100.00%

(1) Some of the shares held by members of the Guillemot family carry double voting rights.

(2) Wholly controlled by members of the Guillemot family.

(3) Treasury shares with no voting rights.

(4) Spouses and descendants of Messrs. Claude, Michel, Yves, Gérard and Christian Guillemot, none of whom individually holds 5% or more of the company's share capital or voting rights.

12.1.3 Transactions covered by Article L.621-18-2 of the French Monetary and Financial Code

The following transactions were undertaken during the fiscal year ended December 31, 2021:

Yves Guillemot ⁽¹⁾					
Transaction type	Transaction date	Location of transaction	Number of shares	Unit price (€)	Transaction amount (€)
Sale	04/05/2021	Euronext Paris	4,247	15.40	65,403.80
Sale	05/05/2021	Euronext Paris	92,767	15.08	1,399,195.38
Sale	06/05/2021	Euronext Paris	16,877	15.16	255,792.88
Sale	07/05/2021	Euronext Paris	5,452	15.03	81,934.84
Sale	28/05/2021	Euronext Paris	5,055	14.20	71,778.98
Sale	31/05/2021	Euronext Paris	2,500	14.00	35,000.00
Sale	01/06/2021	Euronext Paris	350	14.00	4,900.00
Sale	03/06/2021	Euronext Paris	500	14.00	7,000.00
Sale	04/06/2021	Euronext Paris	500	14.00	7,000.00
Sale	07/06/2021	Euronext Paris	8,971	14.11	126,574.53
Sale	10/06/2021	Euronext Paris	1,694	14.00	23,719.22
Yves Guillemot: TOTAL			138,913		2,078,300

Christian Guillemot ⁽²⁾					
Transaction type	Transaction date	Location of transaction	Number of shares	Unit price (€)	Transaction amount (€)
Sale	24/09/2021	Euronext Paris	22,244	12.69	282,185.16
Sale	27/09/2021	Euronext Paris	33,374	12.88	429,873.81
Sale	28/09/2021	Euronext Paris	6,166	12.45	76,768.55
Sale	29/09/2021	Euronext Paris	3,344	12.06	40,313.93
Christian Guillemot: TOTAL			65,128		829,141.44

(1) Deputy Chief Executive Officer, Guillemot Corporation S.A.

(2) Director and Chairman and Deputy Chief Executive Officer, Guillemot Corporation S.A.

The following transactions have been undertaken since January 1, 2022:

Christian Guillemot ⁽³⁾					
Transaction type	Transaction date	Location of transaction	Number of shares	Unit price (€)	Transaction amount (€)
Sale	31/01/2022	Euronext Paris	30,000	15.65	469,560.00
Sale	01/02/2022	Euronext Paris	35,000	16.16	565,554.50
Sale	02/02/2022	Euronext Paris	35,000	16.15	565,148.50
Christian Guillemot: TOTAL			100,000		1,600,263.00

(3) Director and Chairman and Deputy Chief Executive Officer, Guillemot Corporation S.A.

12.1.4 Crossings of significant share ownership thresholds

During the fiscal year ended December 31, 2021, the following share ownership thresholds, referred to in Article L.233-7 of the French Commercial Code, were crossed:

Declarant	Date	Threshold crossed		Description	Holding after crossing threshold	
		Capital	Voting rights		Capital	Voting rights
Yves Guillemot ⁽¹⁾	May 5, 2021	5%	-	Downward following a sale of shares	4.69%	5.56%
Christian Guillemot ⁽¹⁾	Sep 24, 2021	5%	-	Downward following a sale of shares	4.92%	5.83%

(1) Individual crossing.

The following share ownership thresholds, referred to in Article L.233-7 of the French Commercial Code, have been crossed since January 1, 2022:

Declarant	Date	Threshold crossed		Description	Holding after crossing threshold	
		Capital	Voting rights		Capital	Voting rights
Christian Guillemot ⁽¹⁾	Feb 2, 2022	-	5%	Downward following a sale of shares	3.98%	4.75%

(1) Individual crossing.

At February 28, 2022, the total number of voting rights attaching to shares making up the Company's share capital used to calculate significant shareholding thresholds was 25,617,763.

12.1.5 Treasury shares

12.1.5.1 Share buyback program

The Board of Directors was authorized at the shareholders' general meeting of May 27, 2021 to undertake share buybacks.

The characteristics of the share buyback program are set out below:

- Duration of the program: 18 months from the date of the shareholders' general meeting (i.e. expiring November 26, 2022)
- Maximum authorized proportion of share capital: 10%
- Maximum unit purchase price: €40
- Objectives of the buyback program:

- To make a market in and thus ensure the liquidity of the Company's shares, through an investment services provider acting independently under the terms of a liquidity agreement that complies with the AMF decision introducing liquidity agreements covering shares as an accepted market practice

- To hold and subsequently remit shares in payment or exchange in connection with potential external growth transactions, with the proviso that the number of shares purchased for such purpose may not exceed 5% of the shares making up the share capital

- To cover securities representing debt instruments that entitle the holder, by way of their conversion, exercise, redemption or exchange, to an allotment of shares of the Company

- To cover stock option programs and/or any other form of allocation of shares to employees and/or executive directors of the Company and/or group
- To retire some or all of any shares thus purchased, subject to the shareholders approving a specific resolution at an extraordinary general meeting
- To carry out any transaction that is allowed or that might become authorized by regulations subsequent to that meeting, notably where such transaction is in line with a market practice that comes to be accepted by the AMF

At the start of the fiscal year beginning January 1, 2021, the Company held 42,232 treasury shares.

During the fiscal year ended December 31, 2021, 147,812 treasury shares were purchased and 154,004 shares were sold under the liquidity agreement entrusted to Portzamparc Société de Bourse.

The Company did not retire any treasury shares during the fiscal year ended December 31, 2021.

At December 31, 2021, the Company held 36,040 treasury shares.

Number of shares registered in the Company's name at December 31, 2020:	42,232
Number of shares purchased during the fiscal year ended December 31, 2021:	147,812
Average purchase price:	€12.69
Number of shares sold during the fiscal year ended December 31, 2021:	154,004
Average selling price:	€12.41
Number of shares retired during the fiscal year ended December 31, 2021:	0
Total trading fees in the fiscal year ended December 31, 2021:	0
Number of shares registered in the Company's name at December 31, 2021:	36,040
Value of shares registered in the Company's name at December 31, 2021, valued at purchase price:	€539,285.19
Total par value of shares registered in the Company's name at December 31, 2021:	€27,750.80
- <i>dont au titre du contrat de liquidité (36 040 actions):</i>	€27,750.80
Number of shares used during the fiscal year ended December 31, 2021:	154,004
- <i>dont ventes dans le cadre du contrat de liquidité (154 004 actions)</i>	
Reallocations during the fiscal year ended December 31, 2021:	None
Proportion of capital represented by shares held at December 31, 2021:	0.24%

At February 28, 2022, the Company held 35,257 treasury shares, accounting for 0.23% of its share capital; since January 1, 2022, the Company had purchased 38,631 shares and sold 39,414 shares under the liquidity agreement entrusted to Portzamparc Société de Bourse.

12.1.5.2 Liquidity agreement

A new liquidity agreement with Portzamparc S.A. entered into effect on January 2, 2022. This agreement complies with AMF decision 2021-01 of June 22, 2021, applicable with effect from July 1, 2021, renewing the use of liquidity agreements covering equity securities as an accepted market practice.

When this liquidity agreement was implemented, the Company provided the following resources, which had been allocated to the previous liquidity agreement with Portzamparc S.A.:

- 36,040 shares; and
- €311,512.95 in cash

12.1.5.3 Description of the share buyback program to be submitted for approval at the shareholders' general meeting of June 9, 2022

A new share buyback program will be proposed to the shareholders at the next shareholders' general meeting, as described below:

- Date of the shareholders' general meeting called to authorize the new share buyback program: June 9, 2022
- Number of shares held by the issuer (directly and indirectly) at February 28, 2022: 35,257
- Proportion of capital held by the issuer (directly and indirectly) at February 28, 2022: 0.23%
- Breakdown of shares held by the issuer by intention at February 28, 2022:
- Liquidity agreement: 35,257
- Objectives of the new buyback program:

- To make a market in and thus ensure the liquidity of the Company's shares, through an investment services provider acting independently under the terms of a liquidity agreement that complies with the AMF decision renewing the use of liquidity agreements covering shares as an accepted market practice
- To hold and subsequently remit shares in payment or exchange in connection with potential external growth transactions, with the proviso that the number of shares purchased for such purpose may not exceed 5% of the shares making up the share capital
- To cover securities representing debt instruments that entitle the holder, by way of their conversion, exercise, redemption or exchange, to an allotment of shares of the Company
- To cover stock option programs and/or any other form of allocation of shares to employees and/or executive directors of the Company and/or group
- To retire some or all shares, subject to the shareholders approving a specific resolution at an extraordinary general meeting
- To carry out any transaction that is allowed or that might become authorized by regulations subsequent to that meeting, notably where such transaction is in line with a market practice that comes to be accepted or renewed by the AMF

- Maximum proportion of capital the issuer proposes to acquire: 10%
- Maximum amount allocated to the share buyback program: €10 million
- Maximum number of shares the issuer proposes to acquire: 10% of the total number of shares making up the Company's share capital at any given time, after adjusting the capital to reflect any transactions that might affect it subsequent to the date of the shareholders' general meeting
- Characteristics of shares the issuer proposes to acquire: ordinary shares of Guillemot Corporation (ISIN: FR0000066722) listed on Euronext Paris (Compartment B)
- Maximum unit purchase price: €40
- Duration of buyback program: 18 months from the date of the shareholders' general meeting (i.e. expiring December 8, 2023)

12.1.6 Shareholders' undertakings and shareholders' agreement

On May 3, 2019, Claude Guillemot, Michel Guillemot, Yves Guillemot, Christian Guillemot and Guillemot Brothers Limited entered into a collective undertaking to hold Guillemot Corporation shares for a period of two years (the "Dutreil undertaking"). This undertaking covered a total of 3,809,028 shares representing, at that date, 24.92% of the share capital and 29.93% of the voting rights (exercisable at a shareholders' general meeting) of Guillemot Corporation SA.

On that same date, Claude Guillemot, Michel Guillemot, Yves Guillemot and Christian Guillemot gifted the shares covered by the aforementioned undertaking to their respective spouses and children by way of an advance on inheritance in accordance with Articles 1075ff. of the French Civil Code, for a total of 3,059,028 shares representing, at that date, 20.01% of the share capital and 24.04% of the voting rights (exercisable at a shareholders' general meeting) of Guillemot Corporation S.A. The donees:

- must comply with the aforementioned collective undertakings entered into by their respective donors;
- must hold the shares gifted to them for a further four years once the aforementioned collective undertaking has expired; and
- may not, without the donor's consent, sell, transfer, or pledge the shares gifted to them, nor offer them as collateral, for six years with effect from May 3, 2019.

12.1.7 Legal charges over the Company's share capital

To the Company's knowledge, there are no legal charges over its share capital.

12.2 Information about Guillemot Corporation shares

12.2.1 Market in the issuer's shares

Guillemot Corporation S.A. is listed on Euronext Paris (Compartment B).

ISIN	:	FR0000066722
Market capitalization at December 31, 2021	:	€225,948,954.40
Market capitalization at February 28, 2022	:	€208,521,227.20

12.2.2 Guillemot Corporation share price over time

Month	Total shares traded	Average daily volume of shares	First quoted price on last day of month (€)	Monthly high (€)	Monthly low (€)
Sep-20	1,963,248	89,239	6.96	7.60	5.90
Oct-20	1,855,138	84,324	8.10	9.18	6.66
Nov-20	1,656,402	78,876	8.22	8.50	6.72
Dec-20	833,347	37,879	8.40	9.14	7.94
Jan-21	1,327,469	66,373	11.80	12.65	8.34
Feb-21	2,132,819	106,641	13.00	18.55	11.95
Mar-21	1,402,984	60,999	15.60	16.25	11.40
Apr-21	732,620	36,631	15.60	16.80	13.72
May-21	1,001,228	47,678	14.02	16.60	12.26
Jun-21	660,808	30,037	12.76	14.42	11.56
Jul-21	559,136	25,415	12.56	13.40	10.94
Aug-21	507,640	23,075	12.60	13.00	11.02
Sep-21	776,708	35,305	12.10	13.62	11.44
Oct-21	419,417	19,972	12.06	12.74	11.14
Nov-21	853,222	38,783	14.84	15.88	12.70
Dec-21	738,535	32,110	14.80	16.80	13.90
Jan-22	1,093,553	52,074	15.00	16.46	13.08
Feb-22	680,656	34,033	13.48	16.62	12.40

(Source: Euronext) (September 1, 2020 to February 28, 2022)



(September 1, 2020 to February 28, 2022)

13. RISK FACTORS

The Group has reviewed the risks that could have a material adverse effect on its business, financial position or results. The various risks specific to the Group are ranked by their potential impact and probability of occurrence. This mapping of risks reflects the Guillemot Corporation Group's exposure.

Risk	Probability of occurrence	Impact	Criticality
Risks associated with supply sources	Possible	Major	High
Risks associated with the equity portfolio	Possible	Major	Limited
Risks associated with protectionism	Probable	Moderate	Limited
Technological risks	Probable	Moderate	High
Risks associated with seasonality	Probable	Moderate	Limited
Public health risks	Almost certain	Moderate	Limited
Risks associated with licensing agreements	Possible	Moderate	Limited

13.1 Risks associated with supply sources

- Reliance on certain suppliers

The degree of reliance on a given supplier depends on the technological complexity of the product in question. The Group has for several years maintained ongoing commercial relationships with a good number of suppliers, for whom it represents attractive sales potential.

However, the Group is not completely immune to changes in the sales strategies of technology manufacturers, who could in certain cases restrict the use of such technologies to certain of their other customers. Furthermore, lengthening procurement lead times may lead to significant production delays. Moreover, production stoppages by some suppliers of critical components could necessitate changes in the design of product electronics, thus delaying the shipment of affected products.

- Stoppages, tie-ups and concentration

Over the past few years, the interactive entertainment market has seen production stoppages, alliances and takeovers.

Guillemot Corporation's market position means it would be able to turn to alternative supply sources if one of its suppliers should fail or undergo a change of control. In some cases, such developments can necessitate changes in the manufacturing process, resulting in additional production and supply lead times, and thus impacting sales.

- Components

A shortage of components or a corresponding lengthening of procurement lead times could force the Group to purchase its raw materials at higher prices if it had to obtain supplies from suppliers outside of its usual supply network. This could have the effect of delaying the production, and thus the shipment, of some products. The Group oversees production schedules on a weekly basis so as to detect any potential delays and minimize their impact on production. The Group's policy is to forecast its requirements for components and maintain an inventory of certain critical components. Procurement lead times for critical components may lengthen without notice.

- Supply chain

Some links in the supply chain may be unable to meet demand, giving rise to higher costs or longer supply lead times.

The Group has been faced with rising container prices out of Asia since end 2020.

13.2 Risks associated with the equity portfolio

At December 31, 2021, the net value of listed securities in the portfolio stood at €19,118k.

Inventory of portfolio securities at December 31, 2021

Inventory of portfolio securities	Market	Number of securities at December 31, 2021	Market value (€k) (1)
Ubisoft Entertainment S.A. (shares)	Euronext Paris	443,874	19,118
Total			19,118

(1) Based on the share price on the last day of December 2021 (Ubisoft Entertainment: €43.07).

The Group's earnings are affected by fluctuations in the market price of its shareholdings. A 10% decrease in the price of Ubisoft Entertainment shares over the course of 2022 (relative to their price at December 31, 2021) would reduce net financial income by €1.9 million.

At March 18, 2022, Ubisoft Entertainment shares closed at €39.74, down 7.73% relative to their price at December 31, 2021. This decrease would give rise to the recognition of a revaluation loss of €1,478k in the Group's consolidated financial statements at that date.

The Group reserves the right to use these shares to finance its funding requirements.

13.3 Risks associated with protectionism

The Group's products are currently traded all over the world and are subject to moderate customs duties. Protectionist policies could result in high customs duties, adversely affecting the Group's sales in affected countries.

In 2021, the Group generated 28% of its consolidated turnover in the United States.

The following US import tariffs apply to some products sold by the Group:

Thrustmaster products:

- PC accessories: 25%
- Console accessories: 0%

Hercules products:

- DJ controllers: 25%
- Speakers: 7.5%

Import tariffs on products imported into the United States in 2021 totaled \$1.7 million.

The Group generally adjusts its retail selling prices to reflect these tariffs; this may have an impact on sales.

13.4 Technology risk

Guillemot Corporation operates in the consumer computing and video game console sectors, which are sensitive to developments in electronic technology and the video game console life cycle.

In manufacturing its products, Guillemot Corporation relies on the most innovative technologies, with many of its products using different technologies. Its research and development teams based in France, North America and Romania are in direct contact with major technology operators and the development studios of the largest video game publishers. However, rapid changes in technology can lead to some products becoming obsolete, putting inventory of those products at risk of impairment.

Impairment of inventory recognized in the income statement in respect of fiscal year 2021 totaled €1.9 million. Cumulative impairment of inventory recognized on the balance sheet at December 31, 2021 totaled €2.8 million.

13.5 Risk associated with seasonal fluctuations in business

The Guillemot Corporation Group generates approximately 50% of its annual revenue between the months of September and December. The Group uses subcontractors to meet increased production and logistics requirements during this period. The working capital requirement arising from these seasonal fluctuations is financed through short- and medium-term funding. Moreover, significant seasonal fluctuations can give rise to inventory problems (overstocking or stock shortages).

13.6 Public health risks

The consequences for the Guillemot Corporation Group of the ongoing coronavirus epidemic are set out below.

The Group sells entertainment products for indoor use, which are less affected by the current situation arising from the coronavirus pandemic (lockdown measures in force and people encouraged to stay home).

Formula 1 and endurance racing have both taken to the virtual world of PC and console racing, fueling increased interest in eSports. Combined with stay-at-home orders, this has put the spotlight on video games and generated demand for specialist accessories to boost performance.

However, the public health situation has caused disruption throughout the supply chain from the onset of the pandemic, which may adversely affect the Group's business.

13.7 Risks associated with licensing agreements

Licensing agreements with owners of trademarks or technologies usually include early termination clauses. Such agreements also include clauses enabling the Company, in certain cases, to sell off inventory during a given period after its expiration date ("sell-off clauses"). The termination of such a contract could have an impact on sales of the products covered by the agreement in question, as well as on the value of residual inventory.

14. INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES PERTAINING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

The Group has drawn from the recommendations set out by the AMF in its report dated January 22, 2007 as well as the reference framework for listed companies updated in July 2010.

The Group has also used the guide to implementing this framework for small and mid cap companies to facilitate discussion and communication on internal control and to help the Company identify areas of control requiring improvement.

14.1 Objectives of internal control procedures

Internal control consists of a set of procedures, drawn up and implemented under the Company's responsibility, intended to:

- ensure compliance with legislation and regulations;
- ensure that instructions and guidelines issued by senior management are implemented;
- ensure the smooth operation of the Company's internal processes, notably those that help protect the Company's assets;
- ensure the reliability of financial information;
- more generally, help the Company manage its business, operate efficiently and make best use of its resources.

By helping safeguard against and control risks that might prevent the Company from achieving these objectives, the internal control system plays a key role in the management and coordination of the Company's various activities. The scope of internal control is not confined to procedures designed to ensure the reliability of accounting and financial information.

However, internal control arrangements cannot provide an absolute guarantee that these objectives will be achieved.

14.2 General organization of internal control

14.2.1 Scope of internal control

The parent company ensures that internal control systems are in place within each of its subsidiaries, and that they are adapted to suit the specific characteristics of each subsidiary and relations between the parent company and subsidiaries.

14.2.2 Parties responsible for internal control

Within Guillemot Corporation Group, internal control is based on the principles of delegation, authorization and separation of functions. These principles are reflected in approval and sign-off processes and procedures.

All Group employees are made aware of the rules of conduct and integrity that are foundational to the Group's internal control system. Each employee has the knowledge needed to put in place, operate and monitor internal control procedures in light of the objectives assigned to him/her.

The organization and roles of the various bodies involved in internal control are detailed below.

14.2.2.1 Board of Directors

The Board of Directors determines the Group's business strategy and ensures that it is implemented.

14.2.2.2 Chairman and Chief Executive Officer

The Chairman and Chief Executive Officer is responsible for ensuring that procedures and resources are in place to ensure the proper operation and monitoring of internal control.

14.2.2.3 Administration and Finance

The Administration and Finance departments encompass functional teams with dual responsibilities of expertise and control, as set out below.

- Financial Control

Group Financial Control provides managers with relevant numerical information (on sales, margins, costs, etc.). Its objectives are as follows:

- To put in place reporting, management and decision support tools suited to different levels of responsibility
- To analyze gaps between actual and target performance, work with operational staff to explain the reasons for those gaps and monitor implementation of corresponding corrective measures
- To check the accuracy of base data and the output of accounting and financial information systems

- Accounts and Consolidation

Accounts and Consolidation has the following objectives:

- To draw up the interim and annual parent company and consolidated financial statements in compliance with legal obligations and within the timescales demanded by financial markets
- To be responsible for implementing accounting procedures
- To draw up and monitor implementation of financial security procedures in compliance with the principle of separation of tasks between individuals with the power to authorize expenditure and those paying expenses
- To manage credit limits and payment collection and monitor trade receivables
- To formulate the Company's tax policy
- To coordinate with the statutory auditors and provide them with the information they need to perform their duties

- Treasury

The Treasury department's role is to monitor and optimize the Group's cash holdings. The department manages cash flows and decides how financial resources are used in coordination with each of the Group's financial institutions.

To reduce the risk of error or fraud, authority is delegated to a limited number of employees who alone are authorized by senior management to handle certain financial transactions, within the confines of predetermined thresholds and authorizations.

- Legal

The Group has an in-house legal department that provides services to Group companies. This department is responsible for:

- drawing up the Group's contractual policy and monitoring its implementation;
- monitoring disputes and legal risks and interfacing with the accounts department to ensure that such disputes and risks are reflected in the financial statements;
- monitoring off balance sheet commitments;
- monitoring the Group's various insurance policies.

- Human Resources

The Group has a centralized Human Resources department based at its headquarters. This department ensures that the Group complies with the provisions of the French Labor Code and manages relations with employee representative bodies.

- Financial Reporting

The Financial Reporting department provides shareholders, financial analysts and investors with the information they need to properly understand the Group's strategy.

- Information Systems

The Information Systems department manages the development of specific systems and is involved in choosing IT solutions. It monitors the progress of IT projects on an ongoing basis and ensures that such projects are meeting operational needs. The department is also responsible for IT security and confidentiality.

14.2.3 Implementation of internal control and risk management

14.2.3.1 Risk management

In the course of its business, the Group is exposed to a range of risks that could impact its performance and its ability to achieve its strategic and financial objectives.

The nature of key risk factors, together with preventive and corrective measures, are detailed in this section.

The key areas are set out below.

- Risks associated with the Company's industry sector

- Technology risk

In manufacturing its products, Guillemot Corporation relies on the most innovative technologies, with many of its products using different technologies.

As part of their work to determine the features of forthcoming products, the Company's engineers continuously monitor technological developments.

Its research and development teams, based in France, North America and Romania, bolstered by a technology monitoring base in Hong Kong, are in direct contact with major technology operators and the development studios of the largest video game publishers. However, rapid changes in technology can lead to some products becoming obsolete, putting inventory of those products at risk of impairment.

- Risks associated with supply sources

Reliance on certain suppliers:

The degree of reliance on a given supplier depends on the technological complexity of the product in question. The Group has for several years maintained ongoing commercial relationships with a good number of suppliers, for whom it represents attractive sales potential.

However, the Group is not completely immune to changes in the sales strategies of technology manufacturers, who could in certain cases restrict the use of such technologies to certain of their other customers. Furthermore, lengthening procurement lead times may lead to significant production delays. Moreover, production stoppages by some suppliers of critical components could necessitate changes in the design of product electronics, thus delaying the shipment of affected products.

Stoppages, tie-ups and concentration:

Over the past few years, the interactive entertainment market has seen production stoppages, alliances and takeovers.

Guillemot Corporation's market position means it would be able to turn to alternative supply sources if one of its suppliers should fail or undergo a change of control.

In some cases, such developments can necessitate changes in the manufacturing process, resulting in additional production and supply lead times, and thus impacting sales.

- **Risks arising from competition in the sector**

Having operated in its market for many years, the Group has developed a high level of awareness among distributors and consumers. The Group is exposed to high levels of competition and must constantly monitor the competitiveness of its product ranges.

The Group has competitors all over the world. Thanks to their originality and performance, the Group's products stand up well against the competition, garnering awards and securing top rankings in comparative tests in the trade press in both Europe and the United States. A loss of competitiveness could have an impact on the Group's results and turnover.

- **Risks arising from competition from gaming console manufacturers**

Gaming console manufacturers control which accessories work with their consoles. They can sometimes reject new developments. The ability to market new developments and accessories requires the approval of gaming console manufacturers.

- **Risk associated with seasonal fluctuations in business**

The Guillemot Corporation Group generates approximately 50% of its annual revenue between the months of September and December. The Group uses subcontractors to meet increased production and logistics requirements during this period. The working capital requirement arising from these seasonal fluctuations is financed through short- and medium-term funding. Moreover, significant seasonal fluctuations can give rise to inventory problems (overstocking or stock shortages).

- **Industrial and environmental risk**

Since the Group contracts out all of its production and has no production sites of its own, it has not assessed these risks. Its main subcontractors are certified ISO 9001 and ISO 14001. Neither the Group's warehouses nor its key production subcontractors are located in regions recognized as being sensitive to climate change risk.

The Group has not assessed the financial risks associated with the effects of climate change. The increase in direct shipments from the Group's Hong Kong warehouse helps reduce its carbon footprint.

- **Market risk**

- **Interest rate risk**

At December 31, 2021, the Group had fixed-rate financial liabilities totaling €6,830k and floating-rate financial liabilities totaling €11k. At December 31, 2021, the Group had no borrowings covered by acceleration clauses. Based on the Group's outstanding unhedged floating-rate financial liabilities at December 31, 2021, a 1% increase in interest rates on an annual basis would have no impact on net financial income, since the Group had no floating-rate financial liabilities at December 31, 2020.

- **Foreign exchange risk**

Since all major players in the multimedia industry transact in US dollars, no manufacturer has a competitive advantage that would result in increased market share. Since all industry players index-link their selling prices to cost prices in US dollars, selling prices rise and fall in line with cost prices, insofar as market dynamics allow.

The main currency for purchases of hardware and accessories is the US dollar. The trading currency in the United States, Canada and all other countries outside Europe is also the US dollar. In Europe, the Group mainly sells its products in euros. If certain countries should leave the eurozone, this could have an inflationary effect linked to exchange rates in those countries. This could reduce the Group's sales in the countries in question.

Rapid currency fluctuations, and particularly declines in the value of the US dollar, may result in lower selling prices for the Group's products, thus impacting the value of inventories. Conversely, given the seasonal nature of the Company's business, if the US dollar were to rise sharply during the second half of the year, the Group

would not be able to adjust its selling prices to reflect the full extent of such an increase, which could therefore have a temporary adverse impact on the Group's gross margin.

However, to limit the Group's foreign exchange risk, Guillemot Corporation hedges against currency fluctuations by buying spot currency and currency futures and options. Furthermore, growth in the Company's export sales over the past few years has boosted its natural hedging and significantly lowered its foreign exchange risk.

A breakdown of the Group's foreign currency assets and liabilities at December 31, 2021 is as follows (unhedged assets only – i.e. those exposed to exchange rate fluctuations):

Foreign currency amounts exposed to upward or downward exchange rate fluctuations:

(€k)	USD	GBP
Assets	37,631	2,858
Liabilities	25,078	78
Net position before hedging	12,553	2,780
Off balance sheet position	0	0
Net position after hedging	12,553	2,780
TOTAL	87,815.0	8,496.0

Based on foreign currency values exposed to exchange rate fluctuations at December 31, 2021, a 10% annual decrease in the US dollar exchange rate would result in a financial loss of €1,008k.

Based on foreign currency values exposed to exchange rate fluctuations at December 31, 2021, a 10% annual decrease in the sterling exchange rate would increase financial expenses by €301k.

The impact of exchange rate fluctuations on other currencies is not material.

Currency effects arising from the translation of subsidiaries' accounts:

All subsidiaries conduct business in their local currency. The impact on shareholders' equity at December 31, 2019 was +€658k.

- Equity risk

At December 31, 2021, the net value of listed securities in the portfolio stood at €19,118k.

Inventory of portfolio securities at December 31, 2021

Inventory of portfolio securities	Market	Number of securities at December 31, 2021	Market value (€k) (1)
Ubisoft Entertainment S.A. (shares)	Euronext Paris	443,874	19,118
Total			19,118

(1) Based on the share price on the last day of December 2021 (Ubisoft Entertainment: €43.07).

The Group's earnings are affected by fluctuations in the market price of its shareholdings. A 10% decrease in the price of Ubisoft Entertainment shares over the course of 2022 (relative to their price at December 31, 2021) would reduce net financial income by €1.9 million.

At March 18, 2022, Ubisoft Entertainment shares closed at €39.74, down 7.73% relative to their price at December 31, 2021. This decrease would give rise to the recognition of a revaluation loss of €1,478k in the Group's consolidated financial statements at that date.

- Credit risk

Credit risk is the risk of financial loss should a customer fail to meet its contractual obligations. The Group manages this risk by taking out credit insurance covering more than 90% of its overall risk in this area.

Since the Group uses wholesalers, it has a limited number of customers. In a small number of cases, the Group is obliged to grant additional credit where its insurance cover is considered clearly unsuitable (see section 5.7.6 of the notes to the consolidated financial statements).

- Liquidity risk
- Treasury risk

The Group has negative net debt of -€5.2 million and a portfolio of Ubisoft Entertainment shares with a market value of €19.1 million at December 31, 2021.

The Group also has undrawn credit lines in place with its partner banks.

The following table shows the Group's debt position at December 31, 2021.

Characteristics of securities issued or borrowings	Fixed rate	Floating rate	Total amount of facilities	Maturity	Hedged
Borrowings from credit institutions	6,830		6,830	2,022	No
Bank overdrafts and foreign currency advances		21	21	2,022	No
Sundry	15		15	2,022	No
TOTAL (€k)	6,845	21	6,866		

- Acceleration clauses

At December 31, 2021, the Group had no borrowings covered by acceleration clauses.

- Supply and price risk

A shortage of components or a corresponding lengthening of procurement lead times could force the Group to purchase its raw materials at higher prices if it had to obtain supplies from suppliers outside of its usual supply network. This could have the effect of delaying the production, and thus the shipment, of some products.

The Group oversees production schedules on a weekly basis so as to detect any potential delays and minimize their impact on production. The Group's policy is to forecast its requirements for components and maintain an inventory of certain critical components. Procurement lead times for critical components may lengthen without notice. Container prices out of Asia are subject to significant fluctuations. The Group expanded its workforce over the period.

- Legal risk
- Disputes

There are no government, administrative, legal or arbitration proceedings, including any pending or threatened proceedings of which the Company is aware, which are likely to have, or which have had within the last 12 months, a significant impact on the Company's and/or the Group's financial position or profitability.

- Intellectual property

The Group's trademarks are mainly registered in Europe with the European Union Intellectual Property Office (EUIPO), in the United States with the United States Patent and Trademark Office and in Canada with the Canada Intellectual Property Office. They are also registered in other foreign countries via the World Intellectual Property Organization (WIPO).

The Group mainly protects the appearance of its products (forms and/or designs) by registering designs and models in Europe with the European Union Intellectual Property Office (EUIPO), in the United States with the United States Patent and Trademark Office and in China with the China National Intellectual Property Administration.

The Group mainly protects technological innovations included in its products by registering patents in France with the Institut National de la Propriété Industrielle (National Institute for Intellectual Property) and/or in Europe with the European Patent Office (EPO) and in the United States with the United States Patent and Trademark Office.

Before registering a trademark or community design, the Group conducts research (or has its advisors conduct research) to check whether the trademark or community design in question is available. For patents, the Group searches (or has its advisors search) for the existence of prior patents.

However, the Group cannot guarantee that proceedings might not be brought against it. Defense costs and the costs of damages in the event of an unfavorable outcome for the Group could have an adverse effect on the Group's business and financial position.

In the event of infringement (whether suspected or proved) by third parties of intellectual property rights belonging to the Group, the Group shall assess the impact of such infringement on its business, together with any associated defense costs. Should the Group bring any proceedings against such third parties, an unfavorable outcome for the Group could adversely affect its business, results and financial position. Any decision to bring such proceedings would be at the sole discretion of the Group, and would most probably only be reached after the Group had attempted to contact the infringer to ask it to refrain from its use or to propose a licensing agreement.

- **Regulatory risk**

The Group has taken steps to comply with the RoHS (Restriction of Hazardous Substances) and WEEE (Waste Electrical and Electronic Equipment) directives and the REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) regulation. While the Group is careful to monitor regulatory developments in the various countries in which it operates, it cannot completely rule out the possibility that some developments may escape its notice.

- **Other risks**

- **Risks associated with product marketing**

The Group's customers are mostly leading wholesalers and e-tailers who directly fulfil requests from end customers (i.e. ordering and shipping are centralized). The Group's top customer accounts for 25% of consolidated turnover, while its top five and ten top customers account for 58% and 72% of consolidated turnover respectively.

Outstanding receivables not recovered in connection with the Group's top ten customers totaled €11,770k at December 31, 2021.

However, the Group's rigorous customer selection process helps minimize customer risk.

The Group has in place credit insurance to cover the risk of non-payment (cf. section 5.7.6 of the notes to the consolidated financial statements).

- **Country risk**

The Group generates a significant volume of export sales. A deterioration in the economic climate in certain countries could lead to a decline in turnover.

In 2021, the Group generated turnover of €3 million with Russia and Ukraine, equating to 1.7% of consolidated total turnover.

Most of the Group's products are manufactured by partners located in Asia.

Regional conflicts could have an impact on the Group's supplies.

- **Risks associated with use of the Group's assets**

The Guillemot Corporation Group owns all the assets it needs to operate.

- **Insurance and risk hedging**

The Group has taken out insurance to cover the key risks identified.

It has public liability insurance cover of between €5 million and €8 million depending on the nature of the claim. Other insurance policies cover premises, facilities, vehicles and inventory. Buildings located in France are insured for €7.6 million, while goods are insured for €8.0 million. The Group also has policies covering goods in transit to protect against major incidents that might affect its shipments. The Group's shipping arrangements are insured, irrespective of shipping method and destination, for €765,000 per shipment.

- **Major contracts**

To the Company's knowledge, there are no major contracts, other than those entered into in the normal course of business, that would impose a significant obligation or commitment on the Group as a whole.

- **Risks associated with licensing agreements**

Licensing agreements with owners of trademarks or technologies usually include early termination clauses. Such agreements also include clauses enabling the Company, in certain cases, to sell off inventory during a given period after its expiration date ("sell-off clauses"). The termination of such a contract could have an impact on sales of the products covered by the agreement in question, as well as on the value of residual inventory.

- **Risks associated with protectionism**

The Group's products are currently traded all over the world and are subject to moderate customs duties. Protectionist policies could result in high customs duties, adversely affecting the Group's sales in affected countries.

14.2.3.2 Financial control procedures

- **Business planning**

Business planning is organized centrally at headquarters by the Finance department and the Financial Control team, which determines planning principles and the planning schedule, manages the process at entity level and checks consistency with Group strategy. The business plan is updated half-yearly.

- **Annual budget**

Operational and functional managers work with the Financial Control and Finance teams to draw up a budget for the year.

Proposed targets are signed off by senior management and a number of meetings are held with operational managers throughout the year to monitor progress.

- **Weekly performance dashboard**

The Financial Control team produces a weekly performance dashboard for senior management that includes, in particular, the following information:

- Consolidated turnover
- Gross margin
- Costs
- Inventory levels
- Indicators of actual performance vs. forecasts and budgets
- Trend indicators

- **Reconciliation with accounting data**

The Financial Control team carries out a quarterly reconciliation with accounting data to analyze and correct any differences between the following:

- Subscriptions recognized in the management accounts and actual accounting costs
- Costs input by Financial Control and actual costs

This reconciliation serves to provide analytical data by sector.

- **Financial forecasts**

To supplement budget-based planning and improve consistency between management and cash forecasts, the Accounts department prepares the following:

- A simplified income statement highlighting key management figures
- A simplified balance sheet to supplement the profit-based approach resulting from management forecasts with an asset-based approach aimed at helping anticipate trends in key items such as fixed assets/investment and the working capital position, as well as making the approach to cash management as reliable as possible

- A funding schedule to facilitate the production of forecast indicators

14.2.3.3 Procedures for monitoring commitments

- Preparation, approval and monitoring of contracts

The Group's Legal department works closely with senior management and operational staff to ensure that all commitments are secure and monitored.

- Monitoring of contracts

Before being signed by the Group, all contracts are submitted to Legal department for checking. Once signed, all originals of contracts are filed by Legal department.

- Procurement

The Group regularly works with the same suppliers, each of which is approved in advance. Management is responsible for approving new suppliers. The procedure in place aims, in particular, to ensure that duties are separated within the purchasing cycle, from ordering through to payment of invoices, and that accounts are checked on an ex post basis.

- Sales

The Group's general terms and conditions of sale are signed off and reviewed annually by the Legal and Sales departments, notably in keeping with regulatory developments.

Customer solvency is an ongoing concern for the Group. Accordingly, strict procedures are in place from management level all the way down to customer advisors.

New customers are subject to a rigorous selection process and must take out adequate credit insurance before the Group agrees to do business with them. Payments (and associated reminders) are continuously and systematically monitored under the dual responsibility of the Accounts Receivable and Sales teams.

14.2.3.4 Procedures for monitoring assets

- Fixed assets

Fixed assets are managed by the Financial Accounting team. Regular reviews are carried out with technical managers to update the status of these assets.

- Inventories

The Group has developed a computer system to optimize inventory monitoring and has put in place a continuous inventory procedure at its Carentoir site. External warehouses are also monitored on a daily basis.

14.2.3.5 Procedures for monitoring cash

- Payment security

All payment methods used by the Group are covered by a security procedure contractually agreed with the Group's banks. The Group's parent company introduced electronic signatures under the EBICS TC protocol in 2016.

These security procedures are backed up by daily bank/accounting reconciliations.

A procedure is in place to ensure that payment instructions cannot be issued and signed by the same person, thus limiting the risk of internal fraud.

Given the upsurge in attempted fraud linked to payment instructions, the Group has tightened up its verification procedures and regularly issues communications to accounting and operations teams to ensure they remain vigilant.

- Management of liquidity risk

The Treasury department is responsible for ensuring that the Group has adequate sources of long-term funding to meet its needs.

A monthly analysis is undertaken to this end, while cash forecasts are updated daily and the net cash position is reported daily to senior management.

- Hedging of foreign exchange and interest rate risk

Goods are mainly purchased in US dollars.

The Group mainly invoices its customers in euros and dollars.

Since all operators in the Group's industry sector index-link their selling prices to cost prices in US dollars, the Group raises and lowers its selling prices in line with cost prices. To limit the Group's foreign exchange risk, Guillemot Corporation partly hedges against currency fluctuations by buying spot currency and currency forwards and options.

Interest rate risk is regularly reviewed by the Treasury department and signed off by senior management.

14.2.3.6 Procedures for producing and verifying financial reporting

- Recognition of turnover

The Financial Control team supplies consolidated Group turnover figures on a quarterly basis. To ensure that turnover is recognized, billing data from the Group's invoicing software is fed into its accounting systems.

Figures from financial control are reconciled with accounting figures.

- Accounting systems

The Group uses a number of software packages for financial accounting, cash management, fixed asset management, payroll and consolidation. Specific management systems are developed in-house to ensure that requirements are met as closely as possible.

- Analysis and monitoring procedures

The Group uses a paperless supplier billing system to optimize productivity and security.

The principle of separation of tasks is applied within the Accounts department to safeguard against the risk of error or fraud.

Particular attention is paid to the security of computerized data and data processing (physical and logical protection of access, saving, back-ups, etc.).

Access rights are managed centrally, ensuring that companies' commitments, as well as payment authorizations and payments issued, are secure.

All balance sheet and income statement items are analyzed by comparing them with the prior year; to safeguard against the risk of fraud or error, all differences are explained.

- Year-end accounting procedures

At the fiscal year-end, the parent company financial statements are presented to senior management by the Accounts department and inventory items are jointly analyzed by Accounts and Financial Control. Provisions are set aside following careful analysis of risks with the relevant operational and/or functional teams, the Group's Legal department and, where applicable, external advisors.

The consolidated financial statements are prepared in-house by the Consolidation team, which updates consolidation parameters and prepares and produces the statutory financial statements in compliance with IFRS. The main checks carried out by the Consolidation team are to verify returns submitted by subsidiaries, review control reports produced by the consolidation system and check consolidation analysis reports.

- Relations with the statutory auditors

Relations with the statutory auditors are structured as follows:

- A meeting is held before the year-end, attended by senior management, to agree on the calendar and organizational approach and approve key accounting options.
- A wrap-up meeting is held after the year-end accounts have been produced. At this meeting, which is attended by senior management, comments (if any) are gathered from the statutory auditors on the parent company and consolidated financial statements.

The statutory auditors present their report addressed to the audit committee at a meeting of the Board of Directors sitting as an audit committee. The financial statements are then presented to the Chairman of the Board of Directors before being signed off by the Board of Directors.

▪ Financial reporting

The principal parties involved in reporting financial information to the market are the Chairman and Chief Executive Officer and the Deputy Chief Executive Officers.

The Finance department, the Communications team and the Legal department are also authorized to disclose financial information.

Financial reporting is based on financial and accounting reports, registration documents and financial press releases. These documents are signed off by the relevant teams within Administration and Finance, and all financial reporting is signed off by senior management.

Lastly, the Universal Registration Document is filed with the AMF.

Financial reporting is disseminated by e-mail, telephone and postal mail.

Regulated financial information is passed on to a primary information provider meeting the criteria laid down in the AMF's General Regulation. Press releases are uploaded to the Guillemot Group's website (where they are available in French and English). The Group hosts two meetings a year for the financial community, coinciding with the release of its results.

14.2.4 Preparation of accounting and financial information for shareholders

Internal control procedures relating to the preparation and processing of financial and accounting information for shareholders, and those intended to ensure compliance with general accounting principles, are agreed with senior management, which tasks the Group's Administration and Finance teams with implementing them and monitors implementation.

14.2.5 Conclusion

The Guillemot Corporation Group's internal control procedures are continuously monitored to ensure that they are updated and amended, notably to reflect any changes in legislation and regulations applicable to the Group and its business.

Projects aimed at improving the reliability of and control over the Group's business in 2021 were as follows:

- Functionality upgrades within the Group's ERP system:
 - Added a new logistics warehouse
 - Optimized management of shipping from Asia
 - Overhauled order management including EDI integration
- Developed new decision dashboards (using MS PowerBI):
 - Four performance dashboards developed:
 - E-shop business (Europe and US)
 - CRM activity
 - Shipping
 - Goods in transit
- Paperless supplier billing in Canada
- Websites and e-shops:
 - Finalized US online sales platform
 - Standardized management of cookie consent using the OneTrust module

The following projects are planned for 2022:

- Functionality upgrades within the Group's ERP system:
 - Finalize overhaul of customer order management

- Integrate EDI for customer orders in Canada and the US
- Begin planning and design of electronic billing
- Manage stock coverage
- Software rollouts:
 - Enterprise process document management
 - Planning and design of new project management software
 - Replace consolidation software
- Cybersecurity:
 - Planning and design of managed EDR (to protect user workstations and servers)
 - Multi-factor authentication
 - Replace website firewalls with better-performing models
 - Roll out Windows 11 to user workstations
- Websites and e-shops:
 - Technical spares sales module
 - Adjustments to EU and US e-shops
 - Upgrade functionality of dedicated online customer area

The Group pays close attention to business continuity and system restores are tested annually.

The Chairman of the Board of Directors considers that the measures in place provide for effective internal control.

15. CORPORATE, ENVIRONMENTAL AND SOCIAL INFORMATION

As of December 31, 2021, the Group was not subject to the requirement to include a statement of non-financial performance in its Management Report.

15.1 Corporate information

Each subsidiary was asked to complete a corporate report in 2021 including quantitative and qualitative information on all social issues covered by France's "Grenelle II" Act across a comprehensive consolidation scope.

15.1.1 Workforce

15.1.1.1 Total workforce and breakdown by gender, age and geographical region

A breakdown of the current workforce is as follows:

	At December 31, 2021						At December 31, 2020					
	Parent company	Guillemot Administration et Logistique	Hercules Thrustmaster	Guillemot Innovation Labs	Foreign subsidiaries	Total	Parent company	Guillemot Administration et Logistique	Hercules Thrustmaster	Guillemot Innovation Labs	Foreign subsidiaries	Total
Total	5	74	75	4	84	242	5	53	58	4	85	205
O/w permanent contracts	5	57	65	4	77	208	5	47	52	3	75	182
O/w fixed-term contracts	0	17	10	0	7	34	0	6	6	1	10	23
O/w women	0	34	35	0	27	96	0	27	29	0	24	80
O/w men	5	40	40	4	57	146	5	26	29	4	61	125
Aged under 30	0	28	22	1	9	60	0	10	15	1	11	37
Aged 30-39	0	10	24	1	23	58	0	9	14	1	29	53
Aged 40-49	0	13	16	0	33	62	0	13	19	0	32	64
Aged 50 and over	5	23	13	2	19	62	5	21	10	2	13	51

The total Group workforce in 2021 was 222 people, up from 189 in 2020.

15.1.1.2 Recruitment and dismissals

During the fiscal year ended December 31, 2021, a total of 39 people were recruited onto permanent contracts: 24 in France, seven in China (six in Hong Kong and one in Shanghai), six in Canada, one in the United Kingdom and one in Italy.

The Group's Italian subsidiary dismissed one employee in 2021.

By comparison, Group companies recruited 15 people in 2020: ten in France, two in Canada, two in the United Kingdom and one in China (Hong Kong).

One employee left the Group in 2020 following a unilateral decision by a Canadian company.

15.1.1.3 Changes in compensation

(€k)	2021		2020	
Company	Compensation in year	Social security contributions in year	Compensation in year	Social security contributions in year
Parent company	273	81	309	93
Hercules Thrustmaster SAS	3,664	1,520	3,145	1,248
Guillemot Administration et Logistique SARL	2,566	1,044	2,047	778
Guillemot Innovation Labs	386	166	359	148
Consolidated foreign subsidiaries	4,265	467	3,834	384
Total	11,154	3,278	9,694	2,651

Pay rises are mainly the result of individual negotiations based on increases in employees' skills and/or responsibilities. These may be supplemented by collective pay increases, as was the case in the last two fiscal years.

Nationwide or collective agreements (industry agreements, etc.) apply to the various subsidiaries of Guillemot Corporation Group. The provisions of the French Labor Code on compulsory and voluntary employee profit-sharing and employee savings schemes did not apply to the Group's French companies in 2021.

15.1.2 Organization of work

15.1.2.1 Organization of working time

All employees of Group companies are covered by local regulations governing the number of hours in a working week, as follows:

- 35 hours in France
- 37.5 hours in the United Kingdom
- 38.5 hours in Germany
- 40 hours in Canada, Spain, Romania and China

Employees working part-time (excluding part-time parental leave) at consolidated French and foreign subsidiaries accounted for 4.22% of the workforce at December 31, 2021, compared with 4.00% at December 31, 2020.

A total of 2,112 overtime hours were worked in 2021: 282 in France and 1,830 at foreign companies (compared with 1,812 in 2020: 530 in France and 1,282 at foreign companies).

15.1.2.2 Absenteeism

Absences at consolidated subsidiaries are broken down as follows:

	2021					2020				
	Guillemot Administration et Logistique	Hercules Thrustmaster	Guillemot Innovation Labs	Foreign subsidiaries	Total	Guillemot Administration et Logistique	Hercules Thrustmaster	Guillemot Innovation Labs	Foreign subsidiaries	Total
Sick leave	211	252	1	114	578	105	156	13	156.5	430.5
Maternity leave	213	7	0	399	619	61	90	0	357	508
Occupational and commuting accidents	0	0	0	0	0	0	1	0	0	1
Unpaid leave	22.24	42	0	51	115.24	29.32	53.5	7	144	233.82
Paternity leave	2	0	0	5	7	0	0	9	42	51
Other absence	94	63	1	6	164	42	60	8.5	267	377.5
Total	542.24	364	2	575	1483.24	237.32	360.5	37.5	966.5	1601.82

To help employees settle back into work following a period of absence, or in specific medical circumstances, the Group's French subsidiaries consult with their occupational health teams and endeavor to take into account their recommendations. In particular, efforts are made to adapt the content of the role and the environment in which it is performed on a case-by-case basis.

15.1.3 Health and safety

15.1.3.1 Workplace health and safety conditions

The Group's French companies continue to implement and update their risk prevention process, which consists in particular of updating a single document that serves to identify, assess and analyze the risks to which employees may be exposed. The Group's various sites are subject to inspections in accordance with applicable rules in each country.

It should also be noted that the Group's activities give rise to little occupational risk.

As well as ensuring that workplaces are equipped with first aid kits, fire extinguishers, etc. and regularly reiterating the importance of using personal protective equipment in storage and handling areas, the Group's French companies focus their efforts on three aspects of prevention in particular: posture when working in front of a screen, carrying loads, and heart problems.

Companies also communicate with their employees about psychosocial risk factors: for example, a "stress whistleblowing" procedure has been introduced at two French companies to help make employees more aware of signs of workplace stress; and the Group's values, including "respect, collaboration and solidarity", are disseminated.

Employees regularly receive new and refresher safety training, both to prepare them to deal with workplace hazards (in accordance with applicable regulations) and to train volunteers to be able to provide first aid (as certified first aiders, in France, at Guillemot Administration et Logistique and Hercules Thrustmaster). One management employee working in the logistics department in France received training in 2014 in the protection and prevention of occupational risk, and ran two refresher sessions in 2016 on correct posture in the workplace.

The Group's French companies are equipped with automatic defibrillators: when combined with cardio-pulmonary resuscitation, early defibrillation significantly increases the chances of survival of a person in cardio-respiratory failure with ventricular fibrillation, the main cause of sudden death in adults.

As regards the carrying of loads, the relevant advice is accessible via the intranet and is reiterated in brochures and on posters in all workspaces.

Similarly, since most workstations involve the use of a computer, a number of online documents set out simple rules on how to properly organize a computer-based workstation.

Another aspect of occupational health was addressed in 2015, when the Company began providing its French employees with information on the prevention of health risks when traveling abroad and expanded its communication to cover all teams, sharing recommendations designed to limit the spread of viral and bacterial infections in all workplaces.

The Company is also working to adapt all its workstations in keeping with changing circumstances (e.g. epidemics). In particular, this has involved a range of actions over the past two years as local rules and public health situations have evolved against the backdrop of the global Covid-19 pandemic: remote working mostly became intermittent in 2021 for all employees whose roles allowed for this type of arrangement; and specific rules governing circulation and behavior in workspaces were maintained, as were protection systems to minimize the risk of infection. Employees were provided with technical and practical solutions to enable them to feel safe while working, and support measures and reminders were put in place to both to ensure that the working environment continued to meet prevention requirements and to maintain close contact between employees and the Company.

Lastly, it should be noted that the Group's French companies introduced supplementary group health cover for all employees in early 2016.

15.1.3.2 Frequency and severity of occupational accidents, and occupational diseases

No occupational accidents were reported in 2021.

By comparison, two occupational accidents occurred in France in 2020: one workplace accident with no impact and one commuting accident resulting in one day's loss of work.

15.1.4 Employee relations

15.1.4.1 Arrangements for employee dialogue, including in particular procedures for informing, consulting and negotiating with employees

One of the Group's two French subsidiaries is represented by an employee representative body. This body is established, informed and consulted in accordance with the prescribed regulatory framework.

15.1.4.2 Review of collective agreements, notably as regards occupational health and safety

All companies take care to apply collective regulations specific to their business, namely nationwide and industry-wide agreements.

One of the Group's French companies introduced a homeworking charter in September 2020 based on the belief that homeworking would improve work-life balance for eligible employees while helping make the company in question more competitive and attractive. Guillemot Corporation's other two French subsidiaries adopted a charter in 2021 allowing eligible employees to work from home some of the time if they so wish.

15.1.5 Training

15.1.5.1 Training policy, notably as regards environmental protection

The training policy followed by the Group's French companies is aimed at adapting employees' skills in line with developments in the Group's businesses, notably by means of a training plan.

Other training activities may be put in place at the request of employees or, by exception, on the basis of commitments made when employment contracts are entered into.

The Group raises its employees' awareness of environmental impacts by displaying notices about issues linked to printing, sorting and lighting, as well as by informing subsidiaries about how to save water, electricity and paper.

No environmental protection training was undertaken within the Group in 2021.

15.1.5.2 Total number of hours' training

Company	2021	2020
Parent company	0	0
Hercules Thrustmaster SAS	93	85
Guillemot Administration et Logistique SARL	111	271
Guillemot Innovation Labs	0	0
Consolidated foreign subsidiaries	40	32
Total	244	388

These figures reflect only training delivered by accredited organizations. It should be noted that training activities, the vast majority of which involve face-to-face training, were once again heavily affected by the pandemic in 2021, with public health restrictions making travel impossible. The Group's French companies in particular were forced to adjourn some projects.

There is also in-house training of various kinds: training in tools and methods as part of the induction process or when employees change jobs; regular product training for sales staff; refresher safety training; help using software packages, etc. This training continued to be delivered in 2021, including in distance learning format. These types of training are not included in the above figures.

15.1.6 Equality

15.1.6.1 Gender equality

Group companies seek to promote professional equality between women (of whom there were 96, or 39.5% of the workforce, at December 31, 2021, compared with 80, or 39% of the workforce, at December 31, 2020) and men in terms of compensation, qualifications, classification, promotion and recruitment.

The proportion of women in the workforce held steady in the year despite the fact that, given the technical nature of the Group's activities, the vast majority of engineering positions are held by men.

However, one-third of head of department positions within the Group are held by women.

	At December 31, 2021						At December 31, 2020					
	Parent company	Guillemot Administration et Logistique	Hercules Thrustmaster	Guillemot Innovation Labs	Foreign subsidiaries	Total	Parent company	Guillemot Administration et Logistique	Hercules Thrustmaster	Guillemot Innovation Labs	Foreign subsidiaries	Total
Workforce	5	74	75	4	84	242	5	53	58	4	85	205
O/w women	0	34	35	0	27	96	0	27	29	0	24	80
O/w men	5	40	40	4	57	146	5	26	29	4	61	125
Male/female salary ratio*	N/A	0.8	1.3	N/A	1.6		N/A	0.9	1.4	N/A	1.2	

* Ratio of men's to women's gross average contractual salaries in December.

The male/female salary ratio is improving for women at the main two French subsidiaries, rising from 1.5 to 1.3 between 2019 and 2021 at one and from 1 to 0.8 over the same period at the other. This indicator continues to be closely monitored.

With effect from 2020, in anticipation of obligations in this area, a professional gender equality index is now in place covering some of the Group's French companies, providing new performance metrics and paving the way for new initiatives to further improve gender equality.

15.1.6.2 Employment and inclusion for people with disabilities

During the year, the Group's French subsidiaries used services offered by sheltered employment organizations (Etablissements et Services d'Aide par le Travail – ESATs) employing people with disabilities at a level corresponding to 1.02 units* (compared with 1.13 the previous year). They also contributed to social inclusion for people with disabilities via the DOETH return covering the employment of workers with disabilities.

*Unit: employee benefiting from the employment obligation by virtue of a disability (Agefiph 2020 reporting methodology).

15.1.6.3 Anti-discrimination policy

The Group makes every effort to treat individual circumstances with the utmost consideration.

The Group remains careful to ensure that a balance of men and women are recruited, and that all staff receive the same professional development opportunities, irrespective of gender. However, given its preponderance of technical roles, the Group continues to operate in a labor market in which women are still under-represented.

15.2 Environmental information

15.2.1 General environmental policy

15.2.1.1 Organizational measures to take into account environmental issues and, where applicable, environmental assessment and certification

The Group does not have a dedicated environmental management team. Environmental matters are managed by various different departments (Administration, Logistics, R&D, etc.).

Each subsidiary was asked to complete an environmental report in 2021 including quantitative and qualitative information on all environmental issues covered by France's "Grenelle II" Act across a comprehensive consolidated scope.

The Group has embarked on a continuous improvement process and put in place regular monitoring to improve its performance against certain environmental indicators.

15.2.1.2 Safeguarding against environmental risks and pollution

Since the Group has no manufacturing sites of its own, it has little exposure to environmental or pollution risk and has not put in place any specific resources in this area.

The Group is sensitive to transportation-related issues.

A carrier protocol is in place setting out requirements designed to safeguard against environmental risk at the Carentoir site.

15.2.1.3 Provisions and guarantees for environmental risk, unless such information could be seriously detrimental to the Company in ongoing litigation

Given the nature of the Group's business, no specific provisions have been set aside for environmental risk.

15.2.2 Pollution

15.2.2.1 Prevention, reduction or treatment of discharges into the air, water and soil having a serious impact on the environment

Since the Group has no manufacturing sites of its own, it has little exposure to the risk of discharges into the air, water or soil having a serious impact on the environment and has not implemented any specific measures in this area.

The Group is increasingly making use of environmentally friendly products to maintain and clean its premises. For the upkeep of green spaces at its Carentoir site, the Group exclusively calls on external providers that do not use phytosanitary products.

A transportation protocol has been put in place at the Carentoir logistics site under which carriers must comply with certain measures designed to safeguard against the risk of pollution at the site.

15.2.2.2 Business-specific forms of pollution, including in particular noise and light pollution

The Group's activities do not generate any noise pollution affecting surrounding neighborhoods. All electrical and electronic testing takes place in certified laboratories. Subsidiaries only operate during daylight hours. A transportation protocol is also in place at the Carentoir site, under which carriers are required to comply with noise and safety requirements.

15.2.3 Circular economy

15.2.3.1 Waste prevention and management

15.2.3.1.1 Waste prevention, recycling, reuse and other forms of recovery and elimination

In the area of product packaging, the Group is constantly working to optimize the size and shape of packaging relative to the shape of its products so as to limit packaging waste.

As regards recycling of its packaging, the Group has appointed CITEO and Landbell to collect, process and recover packaging waste for products marketed in the French and German markets respectively.

At the request of the Company, Eco-Emballages has in the past undertaken external audits in France with the aim of recommending short- and medium-term actions to be taken by the Company and reducing the quantity of primary, secondary and tertiary packaging released onto the market.

These audits have also helped identify environmental and logistical improvements and financial savings that could potentially be made depending on what action the Company chooses to take. The Group continues to analyze its processes and incorporate these factors into its product design.

The Group has appointed specialist companies to collect, process, recycle and destroy batteries and accumulators used in its products in France (Screlec), the Netherlands (Stibat) and Germany (GRS).

As regards waste electrical and electronic equipment, the Group has appointed specialist companies to collect, process and recycle products marketed in France (Ecologic), the Netherlands (ICT-Milieu) and Germany (European Recycling Platform (ERP) Deutschland GmbH).

Paper and cardboard waste collected at the Group's two French sites is handed over to a recycling company. The Carentoir site achieved a 100% recovery rate in 2021. Waste electrical and electronic equipment is handed over to a company that dismantles products in order to recycle and recover certain components. A recovery rate of around 87% was achieved in 2021. Printer cartridges and used batteries are handed over to specialist recycling and recovery companies.

The Group now always uses biodegradable loose-fill packing materials when repackaging parcels. Cardboard cartons received are also reused for repackaging purposes.

15.2.3.1.2 Preventing food waste

To date, the Group has not adopted any specific measures to prevent food waste. There are no staff canteens at Group subsidiaries.

15.2.3.2 Sustainable use of resources

15.2.3.2.1 Water supply and consumption in accordance with local constraints

Sites occupied by Group companies consist solely of office premises and warehouses. That being the case, the Group's water consumption is limited to normal consumption for these types of premises. The Group ensures that its employees are made aware of water-saving initiatives.

Water consumption:

Water (m³)	2021	2020	Change
France*	272	362	-25%

* Premises located in Carentoir.

For the Group's other subsidiaries, it is physically impossible to provide an individual breakdown of water consumption at leased offices (either because they are jointly owned or because water consumption is included in overall service charges).

15.2.3.2.2 Consumption of raw materials and steps taken to improve their efficient use

The main raw material used within the Group's subsidiaries is office paper.

The Group's French subsidiaries now only use recycled paper.

The Group is constantly reminding its employees of ways to reduce their consumption of office paper. For example, it recommends that printer paper be printed on both sides. In addition, electronic archival systems are being developed at Group subsidiaries and paperless billing is being implemented for some customers.

In 2019, the Group implemented a paperless supplier management system at its French subsidiaries.

All import and export shipping files at the Carentoir site went paperless in late 2020.

With effect from June 2020, employees at French sites have the option of receiving their payslips in paperless form via a secure online portal.

This has further built on the significant reduction in paper consumption over the past few years. The Group's total annual paper consumption is estimated at 8 kg per person.

15.2.3.2.3 Energy consumption, steps taken to improve energy efficiency, and use of renewable energy

Sites occupied by Group companies consist solely of office premises and warehouses. That being the case, the Group's energy consumption is limited to normal consumption for these types of premises. The Group displays notices to raise employee awareness of power-saving initiatives.

Resources consumed by the principal Group companies

Electricity (kWh)	2021	2020	Change
Carentoir (France)	243,874	199,302	22%
Rennes (France)	58,114	46,337	25%
Romania	53,506	37,022	45%
Canada	76,884	53,869	43%
Hong Kong	18,051	19,113	-6%
Shanghai	6,530	6,371	2%
Italy	1,514	1,000	51%
Germany	2,684	3,112	-14%
Total	461,157	366,126	26%

Fuel oil (liters)	2,021	2,020	Change
Carentoir (France)	88,092	52,169	69%

In recent years, the Group has upgraded the heating system at the Carentoir premises occupied by its French companies by installing a temperature regulation system.

Movement detectors have been installed at a number of French subsidiaries to ensure lights are only on when needed.

At Group level, computers and other computerized office appliances are switched off at the end of each day.

The Group uses virtual servers. The resulting reduction in the number of physical servers translates into lower overall power consumption.

An energy audit of the Carentoir administration and logistics buildings was carried out in April 2019. The aim was to provide an overview of their energy efficiency so as to identify opportunities to save energy and potential actions with energy, environmental and financial benefits.

This audit covered all building characteristics (shell, dimensions, openings, technical equipment, heating equipment, ventilation, hot water, lighting, etc.) and usage details (occupancy, opening hours, comments and feedback, etc.), supported by energy bills and plans of the premises.

The detailed heat assessment yielded a breakdown of energy consumption for each workstation, which could then be used to prioritize recommendations for improving equipment in terms of energy consumption and environmental impact.

15.2.3.2.4 Land use

The Group's main use of land is for office space.

The Group's business does not give rise to any risk of soil contamination.

High racks are used to optimize the use of space in warehouses.

An unused piece of land at the Carentoir site is used by a local farmer.

15.2.4 Climate change

15.2.4.1 Significant greenhouse gas emissions arising from the Company's activities, including use of goods and services produced by the Company

As regards the transportation of goods, the Group optimizes truck fill rates by using freight carriers that combine and ship orders to multiple customers. The Group has used logistics platforms via a Hong Kong-based provider since 2013 and via a Yantian-based provider since 2020. This has made it possible to increase direct shipping (shipping to customers without going through the Group's warehouses), thus significantly reducing road transportation. The Group continues to expand its use of this platform, thus reducing the distances covered by

its products. In 2021, direct shipping accounted for 71% of the Group's total shipments by volume, compared with 68% in 2020.

The Group is also proud to have had six containers on the 2021 inaugural voyage of the CMA CGM Jacques SAADE, the world's first container ship powered by liquefied natural gas (LNG). The ship, which represents a revolution in sea freight, generates 20% less CO₂ emissions than a ship powered by fuel oil and over 90% less fine particulate matter, sulfur dioxide and nitrogen oxide emissions. In 2021, 24 containers were shipped on LNG-powered ships, equating to 10% of the total number of containers shipped to Europe by the Group. Alongside its use of rail freight, this approach highlights the Group's commitment to reducing its transport-related carbon footprint.

As regards supplies of consumables, the Carentoir site has maintained the proportion of products sourced from local suppliers so as to reduce transportation requirements.

The Group advocates the use of videoconferencing, which is regularly used by its employees.

In 2020, the public health situation resulting from the Covid-19 pandemic meant the Group was heavily reliant on remote communication tools to facilitate homeworking.

The use of virtual servers limits the need for air conditioning in computer rooms.

Air conditioning at office premises is not widespread.

City-based offices are located close to train and metro stations to encourage employees to use public transport. An electric vehicle was purchased for use at the Carentoir site in 2021. This vehicle is available for employee travel.

The Group does not own any production facilities; in the course of its business, it mainly makes use of office space. The goods it produces are items of electronic hardware that consume electricity when in use.

15.2.4.2 Adapting to the consequences of climate change

In recent years, the Group has worked to improve insulation in its own buildings to make them less sensitive to temperature fluctuations.

Global warming can give rise to extreme weather such as storms that can disrupt the power supply. The Group has put in place systems and resources to ensure that it is self-sufficient in its electricity generation and able to guarantee business continuity.

Neither the Group's warehouses nor its key production subcontractors are located in regions recognized as being sensitive to climate change risk.

The consequences for climate change have not been quantified.

15.2.4.3 Voluntary medium- and long-term greenhouse gas emissions reduction targets and resources put in place to achieve them

None.

15.2.5 Protecting biodiversity

15.2.5.1 Action taken to protect or restore biodiversity

A number of local initiatives are in place. At the Carentoir site, green spaces are covered by organic mulch made from pine bark. This avoids the need for chemical weed-killers, maintains soil aeration and softness, promotes biological life and the work of earthworms, protects helpful insects during the winter and limits soil dryness in summer.

15.3 Social information

Each of the Group's subsidiaries was asked to complete a social report in 2021 including quantitative and qualitative information on all social issues covered by France's "Grenelle II" Act across a comprehensive consolidation scope.

15.3.1 Social commitments in support of sustainable development

15.3.1.1 Impact of the Company's business on employment and local development

Employees' daily attendance at the various subsidiaries' offices has influenced local retail outlets (restaurants, supermarkets, mail services, garages, parking lots, etc.). Some subsidiaries have entered into agreements with local hotels and sports facilities.

In France, the Group favors regional organizations when deciding how to allocate the apprenticeship tax and works with a number of local companies (including sheltered employment organizations, known in France as "ESATs").

In France, the Group provides support in the form of donations to the Fonds d'Initiatives du Club des Trente, a fund that exists to support and finance public interest initiatives aimed at promoting balance, expansion and prosperity in France's western regions, to boost economic activity in western France, to promote the business world among all people groups, and particularly young people, and to promote, spread and defend the values of commitment, initiative and responsibility.

In recent years, this organization has helped finance the following projects:

- Passeport Armorique pour Entreprendre, which works to promote regional development by encouraging and facilitating access to the business world for young people with viable business plans. Business owners sponsor young people during their studies; together with funding provided by two partner banks, this acts as a genuine project accelerator. The main goal is to pass on a corporate social and cultural heritage to young people who are socially far removed from the entrepreneurial world by facilitating access to the business world, stimulating ambition and helping fast-track projects and identify talent.

- Femmes de Bretagne, a collaborative network aimed at helping female business leaders start up and develop businesses. This non-profit has set itself a new goal of expanding in rural areas of Brittany and opening in ten cities within three years to help the most isolated female entrepreneurs.

15.3.1.2 Impact of the Company's operations on residents and local populations

The Group regularly donates products, IT equipment and furniture to local schools and non-profits.

15.3.1.3 Stakeholder relations and dialogue

The Group's French companies are careful to ensure that the apprenticeship tax, which helps finance expenditure needed to develop technical and professional education and apprenticeships, is allocated to the institutions of its choosing, with the aim of promoting local organizations and creating and maintaining links or fostering cooperation with the education and student sectors.

15.3.1.4 Partnership and sponsorship

For some invitations to tender for subcontracting and services, the Group favors local non-profits working in support of social and professional integration. In 2021, the Group maintained the level of services sourced from organizations working with people with disabilities. Through some local initiatives, Group employees are involved in sports organizations, non-profits aimed at boosting local economic activity, and charities.

15.3.2 Subcontracting and suppliers

15.3.2.1 Social and environmental issues and procurement policy

The Group requires its subcontractors to comply with environmental legislation and regulations in force and encourages them not to make use of environmentally harmful materials or substances. In 2021, the Group continued to use regional service providers for road transportation and procurement.

Contracts with subcontractors in Asia include recommendations linked to social conditions (prohibition of child labor).

The Group's principal Asian subcontractors are ISO 9001 and ISO 14001 certified.

15.3.2.2 Suppliers' and subcontractors' social and environmental responsibility

The Group makes use of subcontractors to manufacture its products. Most manufacturing takes place in Asia. The Group has been working with subcontractors for many years and is careful to ensure that production sites meet applicable social and environmental criteria. The Hong Kong subsidiary carries out daily monitoring of work at production facilities, and teams of French engineers regularly visit production sites.

The Group also sometimes makes use of subcontractors for research, promotion, marketing and sales purposes, and uses environmentally certified organizations to collect and recycle waste.

15.3.3 Fair practices

15.3.3.1 Action in support of consumer health and safety

The Group scrupulously complies with applicable standards covering the electrical safety and safe use of its products, and complies with the RoHS (Restriction of Hazardous Substances) and WEEE (Waste Electrical and Electronic Equipment) directives and the REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) regulation for relevant products.

The number one priority for the Group's development teams is to be mindful of consumer safety.

15.3.4 Anti-corruption measures

15.3.4.1 Preventing corruption

In France, the Group underscores the duty of loyalty in its employment contracts and explains this principle orally when taking on new recruits.

The use of secure payments and strict control over product inventories serve to safeguard against any attempted corruption within the Group.

15.3.5 Actions in support of human rights

15.3.5.1 Promotion of and compliance with the stipulations of the fundamental Conventions of the International Labour Organization

15.3.5.1.1 Freedom of association and the right to collective bargaining

All Group companies make every effort to comply with regulations in this area. For example, elected employee representatives perform their duties in accordance with the legal framework (see section 15.1.4.1).

15.3.5.1.2 Eliminating discrimination in respect of employment and career development

The Group assesses its employees on the basis of their competence and rejects all forms of discrimination.

To limit potential risks in this area, personnel management practices are underpinned by the expertise of internal and external human resources professionals, in terms of both designing and implementing recruitment processes and signing off contractual terms.

The Group is also sensitive to the need to integrate young people into the business world: it hosts students (on internships, research assignments, etc.) during their studies as well as supporting projects run by Passeport Armorique pour Entreprendre, which works to promote regional development by encouraging and facilitating access to the business world for young people with a viable business idea.

Employees of the Group's French companies regularly visit schools to talk about their professional experience. In 2021, eight students completed internships (excluding work experience "taster" programs) at French companies and three students were employed on apprenticeship contracts.

In 2020, the Group's French companies hosted six interns undertaking accredited assignments (excluding short-term "taster" internships) and employed two students on youth training contracts.

In addition, starting in October 2020 one of the Group's French companies added a number of part-time customer advisor roles. Thanks to this arrangement, the company in question was able to offer students work in 2020 and 2021 tailored to their study schedules.

In 2018, the Group hosted a group of German students in France as part of a partnership with a local high school.

15.3.5.1.3 Eliminating forced and compulsory labor

All positions are subject to applicable legislation and comply with the rules governing the administration of employment contracts.

The Group works with subcontractors in Asia and ensures that appropriate checks are carried out via direct contracts with its suppliers and three-way contracts with suppliers and customers, who can ask for social audits to be undertaken at production sites.

15.3.5.1.4 Abolition of child labor

The Group does not employ anyone under the age of 18.

Furthermore, service agreements with subcontractors covering production in Asia stipulate that child labor is prohibited.

15.3.5.2 Other actions in favor of human rights

The Group upholds and abides by international laws and standards in this area.

16. STATUTORY AUDIT

The statutory auditors will read out their reports on the fiscal year ended December 31, 2021. Their reports cover the audit of the parent company and consolidated financial statements, the basis for the auditors' conclusions, and specific checks required by law. They will also read out their special report on agreements covered by Articles L.225-38ff. of the French Commercial Code.

The text of the draft resolutions will then be presented to you.

The floor will then be opened for debate and the resolutions submitted for approval will be voted on.

The Board of Directors

March 23, 2022

17. APPENDIX 1: FIVE-YEAR FINANCIAL SUMMARY

(Article R.225-102 of the French Commercial Code)

17.1 Five-year financial summary for Guillemot Corporation S.A.

Fiscal year	2021	2020	2019	2018	2017
I - Financial position at the end of the year					
Share capital (€k)	11,771	11,771	11,771	11,771	11,554
Number of shares issued	15,287,480	15,287,480	15,287,480	15,287,480	15,004,736
Number of bonds convertible into shares	0	0	0	0	0
II - Comprehensive income from activities in the year (€k)					
Turnover excluding taxes	168,762	109,418	60,315	77,071	73,991
Earnings before taxes, depreciation, amortization and provisions	33,154	21,368	46	7,613	5,377
Corporate income tax	4,018	2,921	-336	655	575
Earnings after taxes, depreciation, amortization and provisions	28,046	17,692	-1,934	5,842	4,146
Amount of earnings distributed	3,822	3,822	0	1,987	0
III - Earnings per share (€)					
Earnings after taxes but before depreciation, amortization and provisions	1.91	1.21	0.07	0.45	0.32
Earnings after taxes, depreciation, amortization and provisions	1.83	1.16	-0.13	0.38	0.28
Dividend paid on each share	0.25	0.25	0	0.13	0
IV – Workforce					
Number of employees*	5	5	5	5	5
Total payroll (€k)	273	309	221	278	309
Amount paid out in employee benefits (€k)	81	92	78	118	106

* Consists of the executive directors Claude, Michel, Yves, Gérard and Christian Guillemot, who do not have employment contracts.

17.2 Five-year financial summary for Guillemot Corporation Group

Fiscal year	2021	2020	2019	2018	2017
Comprehensive income from activities in the year (€k)					
Turnover excluding taxes	176,755	120,619	60,875	81,222	80,448
Earnings before taxes, depreciation, amortization and provisions	23,273	37,584	-2,663	14,654	25,799
Corporate income tax	-2,887	-699	813	2,196	-2,232
Earnings after taxes, depreciation, amortization and provisions	13,707	29,781	-6,414	12,151	17,542
Amount of earnings distributed	3,822	3,822	0	1,987	0
Earnings per share (€)					
Earnings after taxes but before depreciation, amortization and provisions	1.33	2.41	-0.12	1.10	1.57
Earnings after taxes, depreciation, amortization and provisions	0.90	1.95	-0.42	0.79	1.17
Dividend paid on each share	0.25	0.25	0	0.13	0
Workforce					
Number of employees	242	205	191	183	178
Total payroll (€k)	9,852	8,613	7,595	7,122	7,405
Amount paid out in employee benefits (€k)	2,972	2,387	2,182	2,231	2,356

18. APPENDIX 2: SCHEDULE OF CHANGES IN EQUITY – GUILLEMOT CORPORATION S.A.

Amounts are stated in euros with effect from September 11, 2001, when the share capital was converted into euros.

Date	Nature of transaction	Number of shares	Cumulative number of shares	Amount of increase in capital			Amount of reduction in capital	Par value of shares	Issue, conversion or contribution premium	Cumulative amount of capital
				Through cash injection or non-cash contribution	Through conversion	Through capitalization of reserves				
Sep 1, '97	Formation of company	1,000,000	1,000,000	-	-	-	-	FF 20	-	FF 20,000,000
Aug 1, '98	Share split	1,000,000	2,000,000	-	-	-	-	FF 10	-	FF 20,000,000
Nov 24, '98	Increase in capital upon IPO	353,000	2,353,000	FF 3,530,000	-	-	-	FF 10	FF 98,840,000	FF 23,530,000
Feb 23, '00	Increase in capital through conversion of bonds	67,130	2,420,130	-	FF 671,300	-	-	FF 10	FF 30,152,775	FF 24,201,300
Feb 23, '00	Share split	2,420,130	4,840,260	-	-	-	-	FF 5	-	FF 24,201,300
May 17, '00	Increase in capital through conversion of bonds	93,550	4,933,810	-	FF 467,750	-	-	FF 5	FF 21,009,922	FF 24,669,050
May 17, '00	Increase in capital through exercise of share subscription warrants	222	4,934,032	F 1,110	-	-	-	FF 5	FF 64,420	FF 24,670,160
May 17, '00	Increase in capital through issuance of shares	953,831	5,887,863	FF 4,769,155	-	-	-	FF 5	FF 321,206,020	FF 29,439,315
Sep 13, '00	Increase in capital through conversion of bonds	20,818	5,908,681	-	FF 104,090	-	-	FF 5	FF 4,675,409	FF 29,543,405
Sep 11, '01	Increase in capital through conversion of bonds	128,750	6,037,431	-	FF 643,750	-	-	FF 5	FF 28,915,312	FF 30,187,155
Sep 11, '01	Conversion of share capital into euros and cancellation of par value	-	6,037,431	-	-	-	-	-	-	€4,602,002.11
May 16, '02	Re-establishment of par value and increase in capital by increasing par value of shares (1)	-	6,037,431	-	-	46,819.76	-	0.77	-	4,648,821.87
May 16, '02	Increase in capital through conversion of bonds (1)	4,376	6,041,807	-	3,369.52	-	-	0.77	149,790.48	4,652,191.39
Jun 28, '02	Increase in capital through non-cash contribution (2)	435,278	6,477,085	335,164.06	-	-	-	0.77	4,587,835.94	4,987,355.45
Aug 30, '02	Increase in capital through non-cash contribution (3)	3,000,000	9,477,085	2,310,000	-	-	-	0.77	12,690,000	7,297,355.45
Aug 30, '02	Reduction in capital through retirement of treasury shares (4)	416,665	9,060,420	-	-	-	320,832.05	0.77	-11,346,025	6,976,523.40
Sep 19, '02	Increase in capital through conversion of bonds (5)	6,000	9,066,420	-	4,620	-	-	0.77	205,380	6,981,143.40
Dec 23, '03	Increase in capital through non-cash contribution (6)	4,444,444	13,510,864	3,422,221.88	-	-	-	0.77	10,577,778.12	10,403,365.28
Jan 19, '04	Increase in capital through exercise of share subscription warrants (7)	81,446	13,592,310	62,713.42	-	-	-	0.77	181,624.58	10,466,078.70
Nov 16, '06	Increase in capital through exercise of share subscription warrants (8)	101	13,592,411	77.77	-	-	-	0.77	4,422.23	10,466,156.47
Nov 16, '06	Increase in capital through cash injection (9)	1,076,233	14,668,644	828,699.41	-	-	-	0.77	1,571,300.59	11,294,855.88
Sep 18, '07	Increase in capital through conversion of bonds (10)	290,532	14,959,176	-	223,709.64	-	-	0.77	700,710.36	11,518,565.52
Jan 29, '08	Increase in capital through exercise of options (11)	6,700	14,965,876	5,159.00	-	-	-	0.77	7,102.00	11,523,724.52
Jan 20, '11	Increase in capital through exercise of options (12)	38,860	15,004,736	29,922.20	-	-	-	0.77	40,035.40	11,553,646.72
Jan 24, '18	Increase in capital through exercise of options (13)	382,500	15,387,236	294,525.00	-	-	-	0.77	436,050.00	11,848,171.72
Jan 24, '18	Reduction in capital through retirement of treasury shares (14)	187,256	15,199,980	-	-	-	144,187.12	0.77	-457,354.20	11,703,984.60
Mar 16, '18	Increase in capital through exercise of options (15)	87,500	15,287,480	67,375.00	-	-	-	0.77	99,750.00	11,771,359.60

- (1) At its meeting of May 16, 2002, the Board of Directors, by virtue of the authorization granted to it at the shareholders' general meeting of February 15, 2002, reinstated the statement of par value in the Company's Articles of Incorporation, at €0.77. At that same meeting, the Board noted the number of bonds converted into shares since the beginning of the current financial year and the corresponding increase in capital.
- (2) At the extraordinary general meeting of June 28, 2002, the shareholders voted to increase the share capital by creating 435,278 new shares in consideration of the contribution by Guillemot Participations S.A. consisting of one share in Italian company Guillemot Srl, representing full ownership of the latter. The number of new shares was determined based on the value of the contribution, equal to €4,923,000, divided by the reference price of Guillemot Corporation shares corresponding to their average closing price over the 60 trading days preceding the date of the shareholders' meeting.
- (3) At the extraordinary general meeting of August 30, 2002, the shareholders voted to increase the share capital by creating 3,000,000 new shares in consideration of the contribution by Guillemot Brothers S.A. consisting of one million shares in Ubisoft Entertainment with a total value of €15 million; the contribution agreement entered into with Guillemot Brothers S.A. specified an exchange ratio of three new Guillemot Corporation shares for every Ubisoft Entertainment share contributed. On August 14, 2002, the Commission des Opérations de Bourse (the then French stock market regulator) approved the appendix to the report by the Board of Directors presented at the extraordinary general meeting under number E.02-213.
- (4) At its meeting of August 30, 2002 following the extraordinary general meeting, the Board of Directors, by virtue of the authorization granted to it at the combined general meeting of February 15, 2002, decided to retire 416,665 treasury shares.
- (5) At its meeting of September 19, 2002, the Board of Directors noted the number of bonds converted into shares between May 16, 2002 and August 31, 2002.
- (6) At the extraordinary general meeting of December 23, 2003, the shareholders voted to increase the share capital through a non-cash contribution by Guillemot Brothers S.A. consisting of 5 million Gameloft shares.
- (7) At its meeting of January 19, 2004, the Board of Directors noted the number of share subscription warrants issued on December 5, 2003 and exercised during the subscription period expiring December 31, 2003.
- (8) 100 share subscription warrants issued in 1999 were exercised during the year ended December 31, 2006. Share subscription warrants issued in 1999 were exercisable up to August 31, 2006. Share subscription warrants not exercised at that date lost all their value and were delisted from Eurolist at market close on August 31, 2006.
- (9) At its meeting of November 16, 2006, the Board of Directors decided to increase the capital by €2,400,000, including issue premiums, as agreed at the extraordinary general meeting of October 31, 2006. The 1,076,233 new shares were fully paid up by offsetting them against liquid claims due against the Company held by Guillemot Brothers S.A.
- (10) At its meeting of September 18, 2007, the Board of Directors noted the number of bonds converted between January 1, 2007 and August 31, 2007, when the bond issue matured, and noted the corresponding increase in capital. A total of 13,206 bonds were converted during this period.
- (11) At its meeting of January 29, 2008, the Board of Directors noted the number and value of shares issued during the year ended December 31, 2007 following the exercise of stock options. A total of 6,700 options were exercised during the period.
- (12) At its meeting of January 20, 2011, the Board of Directors noted the number and value of shares issued during the year ended December 31, 2010 following the exercise of stock options. A total of 38,860 options were exercised during the period.
- (13) At its meeting of January 24, 2018, the Board of Directors noted the number and value of shares issued during the year ended December 31, 2017 following the exercise of stock options. A total of 382,500 options were exercised during the period.
- (14) At its meeting of January 24, 2018, the Board of Directors, by virtue of the authorization granted to it at the combined general meeting of May 24, 2017, decided to retire 187,256 treasury shares. During that same Board meeting, these 187,256 treasury shares had been reassigned for retirement.
- (15) At its meeting of March 16, 2018, the Board of Directors noted the number and value of shares issued over the period from January 1 to February 18, 2018 following the exercise of stock options. A total of 87,500 options were exercised during the period.

19. APPENDIX 3: SPECIAL REPORT ON STOCK OPTIONS

Dear Shareholders,

In accordance with the provisions of Article L.225-184 of the French Commercial Code, we have set out in this report information on transactions in share subscription and purchase options undertaken during the year ended December 31, 2021.

During the fiscal year ended December 31, 2021:

- One new share subscription plans was put in place.
- No new share purchase option plans were put in place.

The table below summarizes stock option plans put in place by Guillemot Corporation S.A.:

Date of shareholders' meeting	May 27, 2021
Date of Board of Directors meeting	December 3, 2021
Total number of shares available for subscription:	193,950
- O/w by corporate officers	0
- O/w by top ten employee beneficiaries	29,500
Start date for exercise of options	December 3, 2023
Expiration date of options	December 2, 2031
Subscription price	€14.44
Terms of exercise	-50% during the third year of the plan -A further 25% during the fourth year of the plan -The remaining 25% from the fifth year of the plan Any options not exercised during the third, fourth and fifth years of the plan may be exercised during the following years up to and including December 2, 2031.
Number of options subscribed at December 31, 2021	0
Share subscription options cancelled or lapsed during fiscal year ended December 31, 2021	0
Share subscription options outstanding at December 31, 2021	193,950

You are advised that, since the start of the fiscal year beginning January 1, 2022:

- No stock subscription or purchase options have been granted.
- No subscription options have been exercised.

Rennes, March 23, 2022

The Board of Directors

20. APPENDIX 4: SPECIAL REPORT ON FREE SHARES

Dear Shareholders,

In accordance with the provisions of Article L.225-197-4 of the French Commercial Code, we have set out in this report information on free share awards during the year ended December 31, 2021.

No free shares were awarded either during the fiscal year ended December 31, 2021 or during prior periods.

Furthermore, no free shares have so far been awarded during the fiscal year beginning January 1, 2022.

Rennes, March 23, 2022

The Board of Directors

21. APPENDIX 5: REPORT OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE

Dear Shareholders,

Pursuant to the provisions of Article L.225-37 of the French Commercial Code, we hereby present our report on corporate governance in respect of the fiscal year ended December 31, 2021.

21.1 Corporate governance code

The Company applies the Middelnext corporate governance code, available from the Middelnext website (www.middelnext.com).

At its meeting of October 27, 2021, the Board of Directors familiarized itself with the items set out in the “Areas for attention” section of the Middelnext code (September 2021 edition).

The new recommendations set out in this latest edition (Recommendation 5: Training for members of the Board of Directors; Recommendation 8: Creation of a committee specializing in corporate social and environmental responsibility; Recommendation 15: Diversity and equal rights policy) have yet to be implemented. This will be done once the Company has had the opportunity to make the necessary decisions in connection with their implementation.

21.2 Directors and executives of Guillemot Corporation S.A.

21.2.1 Directors and executives

Claude Guillemot Director, Chairman and Chief Executive Officer		
Age	65	<p>Claude Guillemot joined the family business after completing a master's degree in economics at Université de Rennes I in 1981, followed by a specialized degree in industrial IT at ICAM in Lille. In 1984, he shifted the Company's focus towards the distribution of IT products, and in 1985 steered the business towards specializing in the distribution of video games under the “Guillemot International Software” brand. He and his four brothers went on to set up Guillemot Corporation Group, listed on the stock exchange since 1998, a designer and maker of interactive leisure hardware and accessories under the Hercules brand for digital peripherals (DJing, digital music and speakers) and the Thrustmaster brand for gaming accessories for PCs and video gaming consoles.</p> <p>In 1986, he and his brothers also founded Ubisoft Entertainment Group, a designer and vendor of interactive PC and console games, and in 2000 they established Gameloft Group, a leading global vendor of downloadable video games.</p> <p>Claude Guillemot is Chairman and Chief Executive Officer of Guillemot Corporation S.A. as well as a Deputy Chief Executive Officer and director of Ubisoft Entertainment S.A.</p>
Gender	M	
Independent director	No	
Year first appointed	1997	
Directorship expires	2024	
Number of shares held at Feb 28, 2022	1,224,574	
Correspondence address	BP 2, 56204 La Gacilly Cedex	
Other offices and roles held within Guillemot Corporation Group at Dec 31, 2021		Other offices and roles held outside Guillemot Corporation Group at Dec 31, 2021
In France Chairman , Hercules Thrustmaster SAS, Guillemot Innovation Labs SAS Outside France Chairman and director , Guillemot Inc. (Canada), Guillemot Recherche & Développement Inc. (Canada), Guillemot Inc. (United States) Executive Director , Guillemot Electronic Technology (Shanghai) Co. Ltd. (China) Director , Guillemot Ltd. (United Kingdom), Guillemot Corporation (HK) Ltd. (Hong Kong), Guillemot SA (Belgium), Guillemot Romania Srl (Romania), Guillemot Srl (Italy), Guillemot Spain SL (Spain) Statutory manager , Guillemot GmbH (Germany)		In France Deputy Chief Executive Officer and director , Ubisoft Entertainment S.A.* Director , AMA S.A. Chief Executive Officer , Guillemot Brothers SAS Outside France Director , Ubisoft Nordic A/S (Denmark), Ubisoft Emirates FZ LLC (United Arab Emirates) Alternate director , Ubisoft Entertainment Sweden AB (Sweden), RedLynx Oy (Finland), Ubisoft Fastigheter AB (Sweden) Director , Playwing Ltd. (United Kingdom), AMA Corporation plc (United Kingdom)* Director and Deputy Chief Executive Officer , Guillemot Brothers Ltd. (United Kingdom)
Expired offices and roles within the Guillemot Corporation Group (over the past five years)		Expired offices and roles outside the Guillemot Corporation Group (over the past five years)
None		None

* Listed on Euronext Paris.

Michel Guillemot Director and Deputy Chief Executive Officer with responsibility for strategy		
Age	63	A graduate of the EDHEC business school and holder of a DECS post-graduate degree in accountancy, Michel Guillemot co-founded Guillemot Corporation Group (a designer and maker of interactive entertainment hardware and accessories under the Hercules and Thrustmaster brands) with his four brothers and serves as Deputy Chief Executive Officer and director of Guillemot Corporation S.A. His 40 years' experience in the information technology and video games industry, entrepreneurial spirit and in-depth knowledge of the mobile industry make him a recognized expert in the field. He also founded mobile video game vendor Gameloft, where he served as Chairman and Chief Executive Officer for 16 years. Under his leadership, Gameloft enjoyed a period of strong and rapid growth from 2001 to 2016, becoming a global leader and one of the world's leading mobile game developers. Michel Guillemot also co-founded the Ubisoft Entertainment Group (a designer and vendor of interactive PC and console games) in 1986, and serves as Deputy Chief Executive Officer and director of Ubisoft Entertainment S.A. with responsibility for strategic and financial development. Now based in London, he is also founder as well as Chairman and Chief Executive Officer of Playwing Ltd., Laboratoire de recherche sur l'intelligence artificielle (AIRLAB) Inc. and Ariann Finance Inc.
Gender	M	
Independent director	No	
Year first appointed	1997	
Directorship expires	2022	
Number of shares held at Feb 28, 2022	1,054,059	
Correspondence address	BP 2, 56204 La Gacilly Cedex	
Other offices and roles held within Guillemot Corporation Group at Dec 31, 2021		Other offices and roles held outside Guillemot Corporation Group at Dec 31, 2021
<u>In France</u> None <u>Outside France</u> Director , Guillemot SA (Belgium), Guillemot Ltd. (United Kingdom), Guillemot Inc. (United States), Guillemot Inc. (Canada)		Deputy Chief Executive Officer and director , Ubisoft Entertainment S.A.* Director , AMA S.A. Chief Executive Officer , Guillemot Brothers SAS <u>Outside France</u> Chairman and director , Ariann Finance Inc. (Canada), Divertissements Playwing Inc. (Canada), Laboratoire de recherche sur l'intelligence artificielle (AIRLAB) Inc. (Canada) Director , Playwing Ltd. (Bulgaria) Director , Playwing Ltd. (United Kingdom), AMA Corporation plc (United Kingdom)*, Artificial Intelligence Research Lab Ltd. (United Kingdom) Director and Deputy Chief Executive Officer , Guillemot Brothers Ltd. (United Kingdom)
Expired offices and roles within the Guillemot Corporation Group (over the past five years)		Expired offices and roles outside the Guillemot Corporation Group (over the past five years)
None		None

* Listed on Euronext Paris.

G�rard Guillemot Director and Deputy Chief Executive Officer with responsibility for marketing research		
Age	60	After graduating from the EDHEC business school in Lille, G�rard Guillemot oversaw the establishment of the North American studios of Ubisoft Entertainment Group, specializing in the design and sale of interactive PC and console games, which he founded along with his four brothers in 1986. He has managed the Cinema division of Ubisoft (Motion Pictures) since April 2016. He is also Deputy Chief Executive Officer and director of Ubisoft Entertainment S.A. He previously launched Gameloft.com, an online gaming portal whose IPO he subsequently oversaw. G�rard Guillemot is now based in New York and serves as Chairman of US company Longtail Studios Inc., which he formed in 2003 and which designs educational smartphones and tablets apps. He also co-founded Guillemot Corporation Group (a designer and maker of interactive leisure hardware and accessories under the Hercules and Thrustmaster brands) and serves as Deputy Chief Executive Officer and director of Guillemot Corporation S.A.
Gender	M	
Independent director	No	
Year first appointed	1997	
Directorship expires	2022	
Number of shares held at Feb 28, 2022	983,736	
Correspondence address	BP 2, 56204 La Gacilly Cedex	
Other offices and roles held within Guillemot Corporation Group at Dec 31, 2021		Other offices and roles held outside Guillemot Corporation Group at Dec 31, 2021
<u>In France</u> None <u>Outside France</u> Director , Guillemot Ltd. (United Kingdom), Guillemot Inc. (United States), Guillemot Inc. (Canada)		<u>In France</u> Deputy Chief Executive Officer and director , Ubisoft Entertainment S.A.* Director , AMA S.A. Chief Executive Officer , Guillemot Brothers SAS <u>Outside France</u> Chairman , Longtail Studios Inc. (United States), Longtail Studios Halifax Inc. (Canada), Longtail Studios PEI Inc. (Canada) Chairman and director , Ubisoft L.A. Inc. (United States), Script Movie Inc. (United States) Director , Playwing Ltd. (United Kingdom), AMA Corporation plc (United Kingdom)* Director and Deputy Chief Executive Officer , Guillemot Brothers Ltd. (United Kingdom) Deputy Chairman , Dev Team LLC (United States)
Expired offices and roles within the Guillemot Corporation Group (over the past five years)		Expired offices and roles outside the Guillemot Corporation Group (over the past five years)
None		None

* Listed on Euronext Paris.

Christian Guillemot Director and Deputy Chief Executive Officer with responsibility for administration		
Age	56	After graduating from the European Business School in London, Christian Guillemot played a driving role in the IPOs of Ubisoft Entertainment (a designer and vendor of interactive PC and console games), Guillemot Corporation (a designer and maker of interactive leisure hardware and accessories under the Hercules and Thrustmaster brands) and Gameloft (a leading global vendor of downloadable video games), each of which he co-founded with his four brothers. As well as serving as Deputy Chief Executive Officer and director of the Guillemot Corporation and Ubisoft Entertainment groups, he is Chairman and Chief Executive Officer of Guillemot Brothers Ltd., the family holding company, and corporate secretary of Longtail Studios Inc. He also runs the AMA Corporation plc Group, which he co-founded with his brothers in 2016 and which specializes in remote medicine and remote assistance with connected glasses, a market that is currently experiencing strong growth. A passionate innovator, he is also actively involved in developing French tech, having set up three digital accelerators in Brittany, where he has served as a local elected representative since 2014.
Gender	M	
Independent director	No	
Year first appointed	1997	
Directorship expires	2024	
Number of shares held at Feb 28, 2022	608,587	
Correspondence address	BP 2, 56204 La Gacilly Cedex	
Other offices and roles held within Guillemot Corporation Group at Dec 31, 2021		Other offices and roles held outside Guillemot Corporation Group at Dec 31, 2021
<u>In France</u> Statutory manager , Guillemot Administration et Logistique SARL <u>Outside France</u> Director , Guillemot Corporation (HK) Ltd. (Hong Kong), Guillemot Ltd. (United Kingdom), Guillemot Inc. (United States), Guillemot Inc. (Canada), Guillemot Recherche & Développement Inc. (Canada), Guillemot SA (Belgium)		<u>In France</u> Deputy Chief Executive Officer and director , Ubisoft Entertainment S.A.* Chairman and Chief Executive Officer and director , AMA S.A. Chairman , AMA Opérations SAS, AMA Research and Development SAS, Guillemot Brothers SAS <u>Outside France</u> Director , Ubisoft Nordic A/S (Denmark) Chairman and Chief Executive Officer and director , AMA L'œil de l'expert Inc. (Canada) Chairman and Chief Executive Officer and director , Guillemot Brothers Ltd. (United Kingdom), AMA Corporation plc (United Kingdom)*, AMA Xperteye Ltd. (United Kingdom), AMA Xperteye Inc. (United States) Chairman and director , Playwing Ltd. (United Kingdom) Chairman and director , Playwing Entertainment SL (Spain) Director , AMA Xperteye Ltd. (Hong Kong), AMA (Shanghai) Co. Ltd. (China), AMA Xperteye KK (Japan) Chairman , Playwing Srl (Romania) Director , Laboratoire de recherche sur l'intelligence artificielle (AIRLAB) Inc. (Canada), AMA Xperteye Srl (Romania) Statutory manager , AMA Xpert Eye GmbH (Germany)
Expired offices and roles within the Guillemot Corporation Group (over the past five years)		Expired offices and roles outside the Guillemot Corporation Group (over the past five years)
None		<u>In France</u> Chairman , SAS du Corps de Garde <u>Outside France</u> None

* Listed on Euronext Paris.

Marie-Hélène Lair Director		
Age	75	<p>After completing advanced accountancy studies, Marie-Hélène Lair worked until 1986 for a chartered accounting firm, where she was responsible for a portfolio of clients.</p> <p>From 1986 to 1999, she ran a production center for temporary employment agency BIS France. She was tasked with managing the center, with particular responsibility for temporary staff payroll, customer credit, accounting and financial control. During this period (1992 and 1993), Mrs. Lair also served as Accounting Director at BIS Group's head office.</p> <p>From 2000 to 2004, Mrs. Lair served as National Production Manager with the Védior France group (also in the temporary employment sector), with particular responsibility for temporary staff payroll, production control, accounting and financial control. She was also a member of Védior France's Financial Management Committee.</p>
Gender	F	
Independent director	Yes	
Year first appointed	2011	
Directorship expires	2023	
Number of shares held at Feb 28, 2022	1,000	
Correspondence address	BP 2, 56204 La Gacilly Cedex	
Other offices and roles held within Guillemot Corporation Group at Dec 31, 2021		Other offices and roles held outside Guillemot Corporation Group at Dec 31, 2021
None		None
Expired offices and roles within the Guillemot Corporation Group (over the past five years)		Expired offices and roles outside the Guillemot Corporation Group (over the past five years)
None		None

Maryvonne Le Roch-Nocera Director		
Age	63	<p>After obtaining a DECS post-graduate degree in accountancy from the ICS Paris business school, Maryvonne Le Roch-Nocera joined audit firm Edouard Salustro & Associés. She then managed a portfolio of clients at chartered accountants Grégoire et Associés.</p> <p>In 1986, she moved to Brittany to work for the family holding company, where she managed supermarkets and real estate companies.</p> <p>From 2005 to 2007, she ran the Intermarché group's business aviation organization and established Air ITM's public transport operation.</p> <p>She set up an Intermarché store in Surzur in 2007 and took over the Arzon store in 2011.</p> <p>From 2006 to 2019, she was a member of the board of Fondation Le Roch – Les Mousquetaires, of which she was appointed Chair in November 2019.</p>
Gender	F	
Independent director	Yes	
Year first appointed	2014	
Directorship expires	2026	
Number of shares held at Feb 28, 2022	100	
Correspondence address	BP 2, 56204 La Gacilly Cedex	
Other offices and roles held within Guillemot Corporation Group at Dec 31, 2021		Other offices and roles held outside Guillemot Corporation Group at Dec 31, 2021
None		<u>In France</u> Chief Executive Officer and member of the Executive Board , Vanves Distribution S.A.** Chairman , Majimer SAS***, Fondation Le Roch – Les Mousquetaires Statutory manager , Du Lobréont SCI <u>Outside France</u> None
Expired offices and roles within the Guillemot Corporation Group (over the past five years)		Expired offices and roles outside the Guillemot Corporation Group (over the past five years)
None		<u>In France</u> Chief Executive Officer , Rochelven SAS Chairman , Rochelven SAS, Franclem SAS, Nautimar SAS <u>Outside France</u> None

** Vanves Distribution S.A. also acts as statutory manager of Du Chantier S.N.C.

*** Majimer SAS also holds the chairmanship of Franclem SAS.

Corinne Le Roy Director		
Age	58	Mrs. Le Roy established Ubisoft Entertainment Group's Chinese operation in 1996 and served as Chief Executive Officer of its Shanghai subsidiary until 2018. After initially overseeing video game vending, she was then put in charge of video game production in 2000. After 2000, she focused on developing Ubisoft's Shanghai studio – China's first and only world-class video game studio with full design and production capability. It was ranked among the world's top 100 studios in 2009 (in the Develop 100 ranking), when Tom Clancy's EndWar won the E3 Game Critics award for best strategy game. In 2009, Mrs. Le Roy was awarded the White Magnolia by the Shanghai Municipal Government for her outstanding contribution to Shanghai. Before joining Ubisoft Entertainment Group, Mrs. Le Roy, who is a qualified nurse and medical carer, worked in hospitals and public health, developing and managing projects in Africa, the former USSR and the Middle East.
Gender	F	
Independent director	No	
Year first appointed	2017	
Directorship expires	2023	
Number of shares held at Feb 28, 2022	1	
Correspondence address	BP 2, 56204 La Gacilly Cedex	
Other offices and roles held within Guillemot Corporation Group at Dec 31, 2021		Other offices and roles held outside Guillemot Corporation Group at Dec 31, 2021
None		None
Expired offices and roles within the Guillemot Corporation Group (over the past five years)		Expired offices and roles outside the Guillemot Corporation Group (over the past five years)
None		<u>In France</u> None <u>Outside France</u> Chief Executive Officer , Shanghai Ubi Computer Software Co. Ltd (China) Director , Shanghai Uno Network Technology Co. Ltd (China)

Yves Guillemot Deputy Chief Executive Officer with responsibility for relations with makers of video game consoles and PCs ⁽¹⁾		
Age	61	On completing his studies at the IPME business school, Yves Guillemot joined with his four brothers to launch out into the video games sector, which was just at the start of its meteoric expansion. He is currently Deputy Chief Executive Officer of Ubisoft Entertainment Group, which he and his brothers formed in 1986 and which is now one of the world's leading designers, vendors and distributors of video games and interactive services. Together with his brothers, he is also a co-founder of Guillemot Corporation Group and serves as Deputy Chief Executive Officer of Guillemot Corporation S.A. with responsibility for relations with makers of video game consoles and PCs. Yves Guillemot is also a member of the Board of Directors of Andromède SAS.
Gender	M	
Date appointed	1997	
Term of office expires	Upon expiration of Claude Guillemot's term of office as Chief Executive Officer (and, if Claude Guillemot steps down as Chief Executive Officer, when a new Chief Executive Officer is appointed)	
Number of shares held at Feb 28, 2022	675,660	
Correspondence address	BP 2, 56204 La Gacilly Cedex	

(1) Yves Guillemot stepped down from his duties as a director on August 5, 2016 so as to comply with the provisions laid down in Article L.225-94-1 of the French Commercial Code.

Yves Guillemot (contd.) Deputy Chief Executive Officer with responsibility for relations with makers of video game consoles and PCs	
Other offices and roles held within Guillemot Corporation Group at Dec 31, 2021	Expired offices and roles within the Guillemot Corporation Group (over the past five years)
<u>In France</u> None <u>Outside France</u> Director , Guillemot Ltd. (United Kingdom), Guillemot Inc. (United States), Guillemot Inc. (Canada)	None
Other offices and roles held outside Guillemot Corporation Group at Dec 31, 2021	Expired offices and roles outside the Guillemot Corporation Group (over the past five years)
<u>In France</u> Chairman and Chief Executive Officer , Ubisoft Entertainment S.A.* Chairman , Ubisoft Annecy SAS, Ubisoft EMEA SAS, Ubisoft France SAS, Ubisoft International SAS, Ubisoft Montpellier SAS, Ubisoft Motion Pictures Rabbids SAS, Ubisoft Paris SAS, Ubisoft Production Internationale SAS, Nadéo SAS, Owlent SAS, Ubisoft Création SAS, Ivory Tower SAS, Ubisoft Bordeaux SAS, 1492 Studio SAS, Green Panda Games SAS, Puzzle Games Factory SAS, Solitaire Games Studio SAS Statutory manager , Ubisoft Motion Pictures SARL, Ubisoft Mobile Games SARL, Ubisoft Paris – Mobile SARL, Ivory Art & Design SARL Director , AMA SA, Andromède SAS Chief Executive Officer , Guillemot Brothers SAS <u>Outside France</u> Director and Deputy Chief Executive Officer , Guillemot Brothers Ltd. (United Kingdom) Statutory manager , Ubisoft Blue Byte GmbH (Germany), Ubisoft GmbH (Germany), Kolibri Games GmbH (Germany), Ubisoft EooD (Bulgaria), Ubisoft Studios Srl (Italy), Ubisoft SARL (Morocco), Blue Mammoth Games LLC (United States), Dev Team LLC (United States), i3D.net LLC (United States) Chairman and Chief Executive Officer , Ubisoft Vietnam Co. Ltd. (Vietnam) Chairman , Dev Team LLC (United States) Chairman and director , Ubisoft Divertissements Inc. (Canada), Ubisoft Éditions Musique Inc. (Canada), Hybride Technologies Inc. (Canada), Ubisoft Toronto Inc. (Canada), Ubisoft Winnipeg Inc. (Canada), Ubisoft Nordic A/S (Denmark), Ubisoft Entertainment India Private Ltd. (India), Red Storm Entertainment Inc. (United States), Ubisoft CRC Ltd. (United Kingdom) Deputy Chairman and director , Ubisoft Inc. (United States) Chief Executive Officer and director , Ubisoft Emirates FZ LLC (United Arab Emirates) Chief Executive Officer and director , Ubisoft Singapore Pte Ltd. (Singapore) Director , Playwing Ltd. (United Kingdom), AMA Corporation plc (United Kingdom)* Executive director , Shanghai Ubi Computer Software Co. Ltd. (China), Chengdu Ubi Computer Software Co. Ltd. (China) Director , Ubisoft Pty Ltd. (Australia), Ubisoft SA (Spain), Ubi Studios SL (Spain), Ubisoft Barcelona Mobile SL (Spain), Ubisoft Ltd. (Hong Kong), Ubisoft SpA (Italy), Ubisoft KK (Japan), Ubisoft Osaka KK (Japan), Ubisoft BV (Netherlands), BMG Europe BV (Netherlands), i3D.net BV (Netherlands), SmartDC BV (Netherlands), Ubisoft Srl (Romania), Ubisoft Ltd. (United Kingdom), Hyper Beats Ltd. (United Kingdom), Ubisoft Entertainment Sweden A/B (Sweden), RedLynx Oy (Finland), Future Games of London Ltd. (United Kingdom), Ubisoft Fastigheter AB (Sweden), Ubisoft DOO Beograd (Serbia)	<u>In France</u> Chairman , Ubisoft Motion Pictures Assassin's Creed SAS, Ubisoft Motion Pictures Splinter Cell SAS, Ketchapp SAS, Krysalide SAS Statutory manager , Script Movie SARL, Ubisoft Learning & Development SARL Director , Rémy Cointreau S.A.* Member of the Supervisory Board , Lagardère S.A. <u>Outside France</u> Chairman and director , Ubi Games SA (Switzerland), Ubisoft L.A. Inc. (United States), Script Movie Inc. (United States) Director , Performance Group BV (Netherlands), SmartDC Holding BV (Netherlands), SmartDC Heerlen BV (Netherlands) Statutory manager , Ubisoft Entertainment SARL (Luxembourg)

* Listed on Euronext Paris.

21.2.2 Composition of the Board of Directors

The Board's composition did not change during the fiscal year ended December 31, 2021.

The Board of Directors has seven members, four of them men and three women. Male and female members make up 57.14% and 42.86% of the Board respectively.

The Board has two independent members within the meaning of the Middledex code: Marie-Hélène Lair and Maryvonne Le Roch-Nocera.

Although she meets all the independence criteria laid down in the Middledex corporate governance code applied by the Company, Corinne Le Roy is not an independent member due to the hierarchical relationship that previously existed between Yves Guillemot, Deputy Chief Executive Officer of the Company (who is also Chairman and Chief Executive Officer of Ubisoft Entertainment S.A.) and Corinne Le Roy, former Chief Executive Officer and employee of Shanghai Ubi Computer Software Co. Ltd. (a subsidiary of Ubisoft Entertainment S.A.).

Claude Guillemot, Michel Guillemot, Yves Guillemot, Gérard Guillemot and Christian Guillemot are not independent within the meaning of the aforementioned code since they are also executive directors of the Company and brothers.

No director who also holds executive office (Claude Guillemot, Michel Guillemot, Yves Guillemot, Gérard Guillemot and Christian Guillemot) holds more than two other directorships in listed companies outside of Guillemot Corporation Group.

The Board of Directors does not include a director elected by the employees.

At its meeting of April 29, 2002, the Board of Directors opted to combine the roles of Chairman of the Board of Directors and Chief Executive Officer of the Company.

To date, the Board of Directors has not set any particular limits on the powers of the Chairman and Chief Executive Officer other than those laid down in the Articles of Incorporation and in law.

You are reminded that:

- Article 9 of the Articles of Incorporation stipulates that the Company may be run by a Board of Directors consisting of between three and 18 members.
- Directors serve for a term of six years. However, to enable directors to be replaced on a staggered basis, the shareholders may, at the proposal of the Board of Directors, vote at an ordinary general meeting to appoint or reappoint one or more directors for a period of four or five years.
- Each director must own at least one share and no director may be over 80 years of age.

21.2.3 Diversity policy applicable to members of the Board of Directors

21.2.3.1 Goal

The goal of the diversity policy applicable to members of the Board of Directors is to enable the Board to effectively discharge its duties, particularly in respect of the following:

- Determining the Company's strategic direction and ensuring that it is implemented
- Dealing with issues having to do with the smooth running of the Company
- Resolving, through its deliberations, affairs concerning the Company
- Applying any controls and checks it deems appropriate

21.2.3.2 Description

Age

The aim is for the Board's membership to be drawn from a wide range of ages, while also taking into consideration each candidate's qualifications and professional experience.

Consequently, the Company's Articles of Incorporation include an open-ended clause as regards age, stipulating only that directors may not be over 80 years of age.

Gender

The Board of Directors seeks, as far as possible, to achieve balanced gender representation. With 42.86% of serving directors female, it is currently achieving this goal.

Qualifications and professional experience

The Board of Directors aims to encompass a range of expertise so as to be able to identify and understand international cultural and economic developments.

Of these areas of expertise, current and past directors have or have had at least the following:

- Expertise in economics, management, finance or accountancy; or
- Sound knowledge of the video games sector; or
- Experience of running businesses in the interactive entertainment segment; or
- International experience as a result of having studied abroad or having lived or worked in a number of countries or continents

That being the case, on the current Board of Directors:

- Two members have advanced accountancy qualifications (Michel Guillemot and Maryvonne Le Roch-Nocera). Another four members also studied accounting and finance as part of their higher education (Claude Guillemot, Gérard Guillemot, Christian Guillemot and Marie-Hélène Lair).
- Five members have worked or continue to work in the video games sector (Claude Guillemot, Michel Guillemot, Gérard Guillemot, Christian Guillemot and Corinne Le Roy).
- Five members have experience running businesses in the interactive entertainment segment (Claude Guillemot, Michel Guillemot, Gérard Guillemot, Christian Guillemot and Corinne Le Roy).
- At least five members have either studied or worked abroad (Claude Guillemot, Michel Guillemot, Gérard Guillemot, Christian Guillemot and Corinne Le Roy). Furthermore, three Board members have lived on more than one continent (Claude Guillemot, Gérard Guillemot and Corinne Le Roy).

21.2.3.3 Results

The members of the Board of Directors meet the aforementioned criteria as regards age, gender, qualifications and professional experience.

21.2.4 Other information about directors and executives

Transactions between directors and executives and the Company, other than normal arm's length transactions, are detailed in the statutory auditor's special report.

No loans or guarantees have been granted or given in favor of directors or executives.

No director or executive has been found guilty of fraud, implicated or officially publicly sanctioned at any time in the past five years.

No director or executive has at any time in the past five years been associated with any insolvency, compulsory administration or liquidation, including court-ordered liquidation. Furthermore, no director or executive has at any time in the past five years been stripped by a court of his or her right to serve as a member of an issuer's administrative, management or supervisory body or to be involved in an issuer's management or the conduct of its business.

To the Company's knowledge, there are no potential conflicts of interest between any director's or executive's duties to the Company and that director's or executive's private interests and/or other duties.

There are no arrangements or agreements in place with the Company's principal shareholders, customers, suppliers or other persons under which any director or executive has been selected to serve as a member of an administrative or management body or of senior management.

There are no service agreements between directors or executives and the Company or any of its subsidiaries under which benefits are or may become due.

There are no restrictions on the disposal of directors' or executives' holdings of shares in the Company other than the following:

- For Claude Guillemot, Michel Guillemot, Yves Guillemot and Christian Guillemot, the collective undertaking to hold shares referred to in section 12.1.6 of the Management Report, and
 - For share subscription options allotted since January 1, 2007, the commitment to hold, in registered form, 5% of shares arising from the exercise of options until the holders' terms of office expire
- No free shares having been awarded, the Board of Directors has to date not laid down any conditions on the retention of shares by the executive directors in the event of a free share award.

Furthermore, the rules of procedure of the Board of Directors stipulate that all directors must refrain from trading in any securities of the Company whatsoever whenever they are aware of information of any kind that might influence the price of such securities. Directors must also refrain from trading in any securities of the Company whatsoever:

- during the 30 calendar days preceding publication of the annual and interim financial results;
- during the 15 calendar days preceding publication of quarterly or interim financial information or financial statements.

21.2.5 Potential material impacts on corporate governance

None.

21.3 Preparation and organization of the Board's work

21.3.1 Role and operation of the Board of Directors

The Board of Directors determines the Company's business strategy and ensures that it is implemented. It exercises its powers within the confines of the corporate purpose and subject to those powers expressly attributed by law to the shareholders.

The Chairman of the Board of Directors organizes and oversees the work of the Board, reports on it to the shareholders and implements decisions made at shareholders' general meetings. He or she represents the Board of Directors in its dealings with third parties. He or she oversees the smooth running of the Company's official bodies and ensures that the directors are able to perform their duties.

At its meeting of October 31, 2007, the Board of Directors approved draft Board rules of procedure proposed by the Chairman. These rules have since been regularly amended by the Board of Directors; the last such amendment was made on October 28, 2020.

They include sections on the following: role, composition and operation of the Board of Directors; information provided to Board members; members' duties (multiple directorships, training, confidentiality, loyalty, non-compete commitments, trading in shares, etc.); conflicts of interest; committees; rules for determining Board members' compensation; arrangements for protecting corporate officers; and succession planning for the CEO and key individuals.

The Board's rules of procedure are available from the "Corporate governance" section of the Company's website (www.guillemot.com), which can be accessed by clicking on "Financial and regulated information" and then "This year".

The Board of Directors plans to amend its rules of procedure during the current fiscal year following the publication in September 2021 of the latest edition of the Middleden corporate governance code.

In October 2021, the directors were asked to give their opinion on the operation of the Board and the preparation of its work in 2021. The directors were given the opportunity to express their opinions through a questionnaire mainly covering the composition and operation of the Board, frequency of Board meetings, subjects covered, quality of debate, provision of information to directors, and balance between supervisory and executive power. The outcome was a positive assessment of the Board's ability to perform its duties.

21.3.2 Board meetings

The Board meets as often as the Company's interests require.

Board meetings are held either at the Company's headquarters or at any other place stated in the notice of meeting. For the purposes of calculating quorum and majority, directors participating in Board meetings via videoconferencing or other means of telecommunication are deemed to be in attendance, where authorized by law.

The Board of Directors met ten times during the fiscal year ended December 31, 2021.

Attendance rates at Board meetings were as follows:

	Director						
	Claude Guillemot	Michel Guillemot	Gérard Guillemot	Christian Guillemot	Marie-Hélène Lair	Maryvonne Le Roch-Nocera	Corinne Leroy
Number of meetings	10/10	10/10	9/10	9/10	10/10	10/10	9/10
Individual attendance rate	100%	100%	90%	90%	100%	100%	90%
Average attendance rate	95.71%						

The Board's deliberations covered the following topics:

- Presentation of consolidated annual turnover
- Use by the Chief Executive Officer of the authorization granted by the Board of Directors in respect of guarantees, endorsements and other collateral
- Review of key issues relating to signing off the financial statements for the year ended December 31, 2020
- Presentation by the statutory auditors of their supplementary report to the audit committee
- Report on the assessment of agreements relating to routine arm's length transactions
- Sign-off of the consolidated and parent company financial statements for the year ended December 31, 2020
- Proposed appropriation of parent company income for the fiscal year ended December 31, 2020
- Report on the assessment of agreements relating to routine arm's length transactions
- Review of regulated agreements entered into and authorized during prior years and remaining in force during the fiscal year ended December 31, 2020
- Preparation and convening of the annual general meeting
- Presentation of quarterly consolidated turnover
- Approval of projected management accounts as laid down in Article L.232-2 of the French Commercial Code and preparation of reports on those accounts
- Guarantee to be given to UK subsidiary Guillemot Limited
- Letter of support in favor of UK subsidiary Guillemot Limited
- Implementation of the share buyback program
- Review and approval of the summary interim consolidated financial statements for the period from January 1 to June 30, 2021
- Review of the Group risk mapping
- Debate on the Company's policy on gender equality and equal pay
- New edition of the Middlednext corporate governance code
- Self-assessment of the operation of the Board of Directors and the preparation of its work
- Designation of the beneficiaries of a share subscription option plan and determination of the option subscription price and the terms under which options are granted and exercised

The directors may, if they so wish, hold discussions in the absence of the Chairman and Chief Executive Officer after each Board meeting.

21.3.3 Convening Board meetings

Article 10 of the Articles of Incorporation stipulates that Board meetings may be convened by any means, including orally. During the fiscal year ended December 31, 2021, all Board meetings were convened by e-mail.

21.3.4 Provision of information to the directors

All documents and information needed by the directors to perform their duties were provided or made available to them before the relevant meeting or handed to them during that meeting.

21.3.5 Specialized committees

To date, no committees have been formed by the Board of Directors.

At its meeting of July 16, 2009, the Board of Directors decided, under the exemption provided for in the fourth paragraph of Article L.823-20 of the French Commercial Code, that it would itself perform the duties of the committee tasked with monitoring matters relating to the preparation and oversight of accounting and financial information (i.e. the audit committee), since, at that date, the Board consisted solely of members serving in an executive capacity and did not have any independent members.

In November 2011 and May 2014, two new directors were appointed; both have particular expertise in finance or accountancy and are independent within the meaning of the Middenext corporate governance code.

Without prejudice to the competence of the Board of Directors, the audit committee has particular responsibility for the following:

- Monitoring the process of producing financial reporting and, where applicable, drawing up recommendations to ensure the integrity thereof
- Monitoring the effectiveness of internal control and risk management systems, as well as, where applicable, internal audit, as regards procedures for preparing and processing accounting and financial information, without impinging on the independence of such information
- Issuing recommendations on statutory auditors proposed for appointment at a shareholders' general meeting, in accordance with regulations; the committee also makes a recommendation to the Board whenever the new statutory auditor(s) is/are to be reappointed, in accordance with regulations
- Monitoring performance of the statutory auditors' duties and taking into account any observations and findings of the Haut Conseil du Commissariat aux Comptes (France's supervisory authority for auditors) subsequent to audits carried out in accordance with regulations
- Ensuring that the statutory auditors meet the independence criteria laid down in regulations
- Approving the provision of services other than certification of the financial statements, in compliance with applicable regulations

The Board of Directors meeting as an audit committee is convened under the same rules as the Board of Directors.

In fiscal year 2021, independent director Marie-Hélène Lair chaired the meetings of the Board of Directors when it met as an audit committee. Claude Guillemot, Chairman and Chief Executive Officer, attended these meetings with the aim of promoting and fostering immediate and direct discussion.

During the fiscal year ended December 31, 2021, when the financial statements for the fiscal year ended December 31, 2020 were certified, the audit committee received the statutory auditors' annual declaration of independence.

No statutory auditors were appointed or reappointed during the fiscal year ended December 31, 2021.

Before the financial statements for the year ended December 31, 2021 were signed off, the statutory auditors presented their draft report to the Board meeting as an audit committee, thus facilitating direct dialogue between the statutory auditors and the audit committee.

21.3.6 Meeting minutes

Minutes of Board meetings are drawn up following each meeting.

21.4 Assessment of agreements relating to routine arm's length transactions

21.4.1 Assessment procedure put in place by the Board of Directors

This procedure was established by the Board of Directors at its meeting of January 29, 2020 to ensure that Guillemot Corporation S.A. ("the Company") complies with the "PACTE" Act of May 22, 2019 on business growth and transformation. This Act requires listed companies to put in place procedures to regularly assess whether agreements relating to routine arm's length transactions meet the necessary criteria.

Where an agreement relates to a transaction that is both routine and entered into at arm's length, the procedure for regulated agreements laid down in Article L.225-38 of the French Commercial Code requiring prior authorization by the Board of Directors does not apply.

Routine transactions are those entered into by the Company in the usual course of business, notably within the scope of its corporate purpose, and reflect usual practice among companies in a similar situation. For example, the following transactions are generally considered routine: intragroup billing of administrative or management services or functional tasks (notably in the areas of human resources, accounting, finance, internal control, general organization, management, staff training, communications, marketing, legal, IT, logistics, insurance, purchasing, sales, etc.); tax consolidation agreements; cash management agreements and transactions; cash pooling agreements, whether automated or otherwise; intragroup loan agreements (not including interest-free loans); current account agreements; financial support agreements; trademark royalty agreements and any other agreements in respect of intellectual property rights; routine purchases and sales

falling within the scope of the Company's corporate purpose or carried out in the usual course of business; provision of services usually associated with various processes falling within the Company's corporate purpose; etc.

When assessing whether a transaction is routine, consideration is also given to its nature, legal significance and financial consequences as well as whether or not it is a recurring transaction.

A transaction is considered arm's length if the associated conditions are similar to those that usually apply to transactions of the same type or to transactions usually entered into or agreed to by the Company in its relations with third parties. When assessing whether a transaction is entered into at arm's length, one of the key factors taken into consideration is the price (the market price or the price generally applicable in the sector in question, or, for intragroup transactions, the rebilled cost price, sometimes with a reasonable mark-up to cover unallocated indirect costs). The amounts involved are also taken into consideration.

Aside from financial aspects, the legal terms must be reviewed to ensure that they are balanced or standard for the type of transaction in question.

Whether a transaction is routine and whether it is entered into at arm's length are considered together: if one or the other does not apply, the agreement in question will be subject to the procedure governing regulated agreements.

These criteria are assessed on a case-by-case basis by the Group's Chief Operating Office in conjunction with its Legal department.

The Group's Chief Operating Office will assess agreements in relation to routine arm's length transactions at least once a year to determine whether they still qualify as such.

No person directly or indirectly affected by such an agreement may take part in this assessment.

The Group's Chief Operating Office must present a report on its assessment to the Board of Directors no later than the meeting held to sign off the annual financial statements.

A description of this assessment procedure must be included in the report on corporate governance.

This procedure will be updated by the Board of Directors as and when required.

21.4.2 Implementation of the assessment procedure

In March 2022, the Group's Administration and Finance department assessed agreements in relation to routine arm's length transactions undertaken during the fiscal year ended December 31, 2021 to determine whether they still qualified as such.

A report on this assessment was presented to the Board of Directors at its meeting of March 23, 2022.

21.5 Agreements covered by Article L.225-37-4 of the French Commercial Code

No agreements covered by the second paragraph of Article L.225-37-4 of the French Commercial Code (agreements entered into, whether directly or via an intermediary, between a corporate officer or a shareholder holding more than 10% of the voting rights in a company and another company controlled by that company as defined in Article L.233-3, excluding agreements relating to routine arm's length transactions) were entered into during the fiscal year ended December 31, 2021.

21.6 Directors' and executives' compensation

21.6.1 Compensation paid by Guillemot Corporation S.A. during the fiscal year ended December 31, 2021

In the course of the fiscal year ended December 31, 2021, the Company paid Board members a total of €102,000 in respect of their duties.

The total amount of gross fixed compensation paid by the Company to the executive directors in respect of their executive duties during the fiscal year ended December 31, 2021 was €220,440.

Furthermore, in the fiscal year ended December 31, 2021, variable compensation was allotted to the Chairman and Chief Executive Officer and to each of the Deputy Chief Executive Officers in the amounts of €47,040 and €5,875.20 respectively.

This variable compensation, which can equal up to 40% of fixed compensation if performance against targets reaches the maximum level, will be paid to the executive directors once this component of compensation has been approved at the shareholders' general meeting, in accordance with the Company's compensation policy.

Relative weighting of each performance indicator (quantitative and qualitative)	% of variable	Minimum	Target	Maximum	Extent achieved	Cash amount corresponding to extent achieved	Assessment
Growth in consolidated turnover	20%	N/A	5%	10%	Maximum (+47%)	Chairman and CEO: €11,760 Deputy CEO: €1,468.80	On the basis of the consolidated financial statements for the fiscal year ended December 31, 2021, as signed off by the Board of Directors and audited by the statutory auditors
Ratio of consolidated net income from ordinary activities to consolidated turnover	60%	N/A	3%	5%	Maximum (+18.67%)	Chairman and CEO: €35,280 Deputy CEO: €4,406.40	
Increase in total number of hours' training delivered to employees of the Group by accredited training organizations	20%	N/A	5%	10%	Not achieved (-39.17%)	Chairman and CEO: €0 Deputy CEO: €0	On the basis of information included in the management report for the fiscal year ended December 31, 2021
Overall rate of achievement of 2021 targets	N/A	N/A	N/A	N/A	80%	N/A	N/A

During the fiscal year ended December 31, 2021:

- no exceptional compensation was paid to the executive directors;
- no stock options were allotted to the executive directors by Guillemot Corporation S.A. or other companies belonging to Guillemot Corporation Group, nor were any such options purchased or exercised by the executive directors;
- no free shares were awarded to the executive directors by Guillemot Corporation S.A. or any other company belonging to Guillemot Corporation Group;
- no benefits, including in the form of shares of stock, debt instruments or securities giving access to equity or entitling the holder to receive debt instruments of the Company or of companies as referred to in Articles L.228-13 and L.228-93 of the Commercial Code, were paid in the fiscal year;
- the Company did not enter into any commitment in favor of its corporate officers with regard to compensation, allowances or benefits that are or may become due by reason of or subsequent to the assumption or cessation of duties or a change in duties, including in particular pension liabilities and other lifetime benefits;
- no compensation was paid under an incentive or bonus plan;
- no specific pension scheme was put in place for the corporate officers.

The corporate officers of Guillemot Corporation S.A. did not receive any compensation from other Guillemot Corporation Group companies in the fiscal year.

Any section not mentioned in the tables below is deemed not applicable.

Summary schedule of compensation paid to each executive director (€)				
Claude Guillemot Chairman and CEO	Fiscal year 2021		Fiscal year 2020	
	Amounts allotted	Amounts paid	Amounts allotted	Amounts paid
Fixed compensation	147,000	147,000	147,000	147,000
Annual variable compensation	47,040	47,040	47,040	0
Compensation for service as a member of the Board of Directors	15,000	15,000	15,000	15,000
<i>O/w fixed component</i>	10,000	10,000	10,000	10,000
<i>O/w variable component</i>	5,000	5,000	5,000	5,000
TOTAL	209,040	209,040	209,040	162,000
Michel Guillemot Deputy CEO	Fiscal year 2021		Fiscal year 2020	
	Amounts allotted	Amounts paid	Amounts allotted	Amounts paid
Fixed compensation	18,360	18,360	18,360	18,360
Annual variable compensation	5,875.20	5,875.20	5,875.20	0
Compensation for service as a member of the Board of Directors	15,000	15,000	15,000	12,000
<i>O/w fixed component</i>	10,000	10,000	10,000	10,000
<i>O/w variable component</i>	5,000	5,000	5,000	2,000
TOTAL	39,235.20	39,235.20	39,235.20	30,360
Yves Guillemot (1) Deputy CEO	Fiscal year 2021		Fiscal year 2020	
	Amounts allotted	Amounts paid	Amounts allotted	Amounts paid
Fixed compensation	18,360	18,360	18,360	18,360
Annual variable compensation	5,875.20	5,875.20	5,875.20	0
TOTAL	24,235.20	24,235.20	24,235.20	18,360
Gérard Guillemot Deputy CEO	Fiscal year 2021		Fiscal year 2020	
	Amounts allotted	Amounts paid	Amounts allotted	Amounts paid
Fixed compensation	18,360	18,360	18,360	18,360
Annual variable compensation	5,875.20	5,875.20	5,875.20	0
Compensation for service as a member of the Board of Directors	15,000	12,000	12,000	15,000
<i>O/w fixed component</i>	10,000	10,000	10,000	10,000
<i>O/w variable component</i>	5,000	2,000	2,000	5,000
TOTAL	39,235.20	36,235.20	36,235.20	33,360
Christian Guillemot Deputy CEO	Fiscal year 2021		Fiscal year 2020	
	Amounts allotted	Amounts paid	Amounts allotted	Amounts paid
Fixed compensation	18,360	18,360	18,360	18,360
Annual variable compensation	5,875.20	5,875.20	5,875.20	0
Compensation for service as a member of the Board of Directors	15,000	15,000	15,000	15,000
<i>O/w fixed component</i>	10,000	10,000	10,000	10,000
<i>O/w variable component</i>	5,000	5,000	5,000	5,000
TOTAL	39,235.20	39,235.20	39,235.20	33,360
GRAND TOTAL	350,980.80	347,980.80	347,980.80	277,440

(1) Yves Guillemot stepped down from his duties as a director on August 5, 2016 in order to comply with the provisions laid down in Article L.225-94-1 of the French Commercial Code.

Summary schedule of allowances and benefits granted to executive directors								
Executive director	Employment contract		Supplementary pension plan		Non-compete payments		Severance benefits	
	YES	NO	YES	NO	YES	NO	YES	NO
Claude Guillemot Chairman and CEO		X		X		X		X
Year appointed: 1997								
Term of office expires: 2024								
Michel Guillemot Deputy CEO		X		X		X		X
Year appointed: 1997								
Term of office expires: 2022								
Yves Guillemot Deputy CEO		X		X		X		X
Year appointed: 1997								
Term of office expires: 2024								
G�rard Guillemot Deputy CEO		X		X		X		X
Year appointed: 1997								
Term of office expires: 2022								
Christian Guillemot Deputy CEO		X		X		X		X
Year appointed: 1997								
Term of office expires: 2024								

Schedule of compensation received by non-executive directors for their service as members of the Board of Directors (�)				
Marie-H�l�ne Lair	Fiscal year 2021		Fiscal year 2020	
	Amounts allotted	Amounts paid	Amounts allotted	Amounts paid
Director				
Compensation for service as a member of the Board of Directors	15,000	15,000	15,000	15,000
O/w fixed component	10,000	10,000	10,000	10,000
O/w variable component	5,000	5,000	5,000	5,000
TOTAL	15,000	15,000	15,000	15,000
Maryvonne Le Roch-Nocera	Fiscal year 2021		Fiscal year 2020	
	Amounts allotted	Amounts paid	Amounts allotted	Amounts paid
Director				
Compensation for service as a member of the Board of Directors	15,000	15,000	15,000	12,000
O/w fixed component	10,000	10,000	10,000	10,000
O/w variable component	5,000	5,000	5,000	2,000
TOTAL	15,000	15,000	15,000	12,000
Corinne Le Roy	Fiscal year 2021		Fiscal year 2020	
	Amounts allotted	Amounts paid	Amounts allotted	Amounts paid
Director				
Compensation for service as a member of the Board of Directors	15,000	15,000	15,000	15,000
O/w fixed component	10,000	10,000	10,000	10,000
O/w variable component	5,000	5,000	5,000	5,000
TOTAL	15,000	15,000	15,000	15,000

21.6.2 Components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2021 to executive directors (via an individual ex post vote)

(Resolutions 5, 6, 7, 8 and 9 submitted for approval at the shareholders' general meeting of June 9, 2022)

In accordance with the provisions of section II of Article L.22-10-34 of the French Commercial Code, set out below for each of the executive directors are the fixed, variable and exceptional components making up total compensation and benefits of any kind paid during or allotted in respect of the fiscal year ended December 31, 2021 by virtue of the offices held.

These components comply with the principles and criteria used to determine, apportion and allot the fixed, variable and exceptional components making up total compensation and benefits of any kind attributable to the executive directors in respect of their office, as submitted to and approved by the shareholders at the shareholders' general meeting of May 27, 2021.

▪ **Claude Guillemot, Chairman and Chief Executive Officer (Resolution 5)**

	Amount (€)	Comments																
Gross annual fixed compensation	147,000	Compensation set by the Board of Directors on May 24, 2018 and unchanged since 2012																
Annual variable compensation <i>(Details of how performance criteria are assessed can be found in section 21.6.1 of this report.)</i>	47,040	<div>Compensation set by the Board of Directors on February 28, 2020 Target: 20% of fixed compensation (and, if performance targets are exceeded, up to a maximum of 40% of fixed compensation). This annual bonus is based on the following internal quantitative criteria (two financial criteria and one non-financial criterion):</div> <table><tr><th>Quantitative criteria</th><th>% of variable</th><th>Target</th><th>Maximum</th></tr><tr><td>Growth in consolidated turnover</td><td>20%</td><td>5%</td><td>10%</td></tr><tr><td>Ratio of consolidated net income from ordinary activities to consolidated turnover</td><td>60%</td><td>3%</td><td>5%</td></tr><tr><td>Increase in total number of hours' training delivered to employees of the Group by accredited training organizations</td><td>20%</td><td>5%</td><td>10%</td></tr></table>	Quantitative criteria	% of variable	Target	Maximum	Growth in consolidated turnover	20%	5%	10%	Ratio of consolidated net income from ordinary activities to consolidated turnover	60%	3%	5%	Increase in total number of hours' training delivered to employees of the Group by accredited training organizations	20%	5%	10%
Quantitative criteria	% of variable	Target	Maximum															
Growth in consolidated turnover	20%	5%	10%															
Ratio of consolidated net income from ordinary activities to consolidated turnover	60%	3%	5%															
Increase in total number of hours' training delivered to employees of the Group by accredited training organizations	20%	5%	10%															
Compensation for service as a member of the Board of Directors (excl. directors' fees)	15,000	<div>Breakdown agreed by the Board of Directors on August 26, 2011 and unchanged since:</div> <ul style="list-style-type: none">• Fixed component of €10,000 paid half in January (covering the period January-June) and half in July (covering the period July-December); and• Variable component in proportion to directors' attendance at meetings of the Board of Directors held between December 1 and December 31 of the year under review, paid during the first three months of the following year:<ul style="list-style-type: none">- Directors attending 50% or fewer Board meetings: no payment- Directors attending between 50% and 75% of Board meetings: €2,000- Directors attending 75% or more Board meetings: €5,000																
Multi-year variable compensation	None	The compensation policy submitted to and approved by the shareholders at the shareholders' general meeting of May 27, 2021 does not include such components of compensation.																
Stock options	None																	
Free share awards	None																	
Exceptional compensation	None																	
Compensation, allowances or benefits that are or may become due as a result of taking up office	None																	
Components of compensation, allowances or benefits that are or may become due by reason of or subsequent to the assumption or cessation of duties or a change in duties, or defined benefit pension liabilities that meet the characteristics of the schemes referred to in Article L.137-11 of the French Social Security Code	None																	
Benefits in kind	None																	

* Attendance rates are set out in section 21.3.2.

▪ Michel Guillemot, Deputy CEO (Resolution 6)

	Amount (€)	Comments																
Gross annual fixed compensation	18,360	Compensation set by the Board of Directors on May 24, 2018 and unchanged since 2012																
Annual variable compensation <i>(Details of how performance criteria are assessed can be found in section 21.6.1 of this report.)</i>	5,875.20	<div>Compensation set by the Board of Directors on February 28, 2020 Target: 20% of fixed compensation (and, if performance targets are exceeded, up to a maximum of 40% of fixed compensation). This annual bonus is based on the following internal quantitative criteria (two financial criteria and one non-financial criterion):</div> <table><tr><th>Quantitative criteria</th><th>% of variable</th><th>Target</th><th>Maximum</th></tr><tr><td>Growth in consolidated turnover</td><td>20%</td><td>5%</td><td>10%</td></tr><tr><td>Ratio of consolidated net income from ordinary activities to consolidated turnover</td><td>60%</td><td>3%</td><td>5%</td></tr><tr><td>Increase in total number of hours' training delivered to employees of the Group by accredited training organizations</td><td>20%</td><td>5%</td><td>10%</td></tr></table>	Quantitative criteria	% of variable	Target	Maximum	Growth in consolidated turnover	20%	5%	10%	Ratio of consolidated net income from ordinary activities to consolidated turnover	60%	3%	5%	Increase in total number of hours' training delivered to employees of the Group by accredited training organizations	20%	5%	10%
Quantitative criteria	% of variable	Target	Maximum															
Growth in consolidated turnover	20%	5%	10%															
Ratio of consolidated net income from ordinary activities to consolidated turnover	60%	3%	5%															
Increase in total number of hours' training delivered to employees of the Group by accredited training organizations	20%	5%	10%															
Compensation for service as a member of the Board of Directors (excl. directors' fees)	15,000	<div>Breakdown agreed by the Board of Directors on August 26, 2011 and unchanged since:</div> <ul style="list-style-type: none">• Fixed component of €10,000 paid half in January (covering the period January-June) and half in July (covering the period July-December); and• Variable component in proportion to directors' attendance at meetings of the Board of Directors held between December 1 and December 31 of the year under review, paid during the first three months of the following year:<ul style="list-style-type: none">- Directors attending 50% or fewer Board meetings: no payment- Directors attending between 50% and 75% of Board meetings: €2,000- Directors attending 75% or more Board meetings: €5,000																
Multi-year variable compensation	None	The compensation policy submitted to and approved by the shareholders at the shareholders' general meeting of May 27, 2021 does not include such components of compensation.																
Stock options	None																	
Free share awards	None																	
Exceptional compensation	None																	
Compensation, allowances or benefits that are or may become due as a result of taking up office	None																	
Components of compensation, allowances or benefits that are or may become due by reason of or subsequent to the assumption or cessation of duties or a change in duties, or defined benefit pension liabilities that meet the characteristics of the schemes referred to in Article L.137-11 of the French Social Security Code	None																	
Benefits in kind	None																	

* Attendance rates are set out in section 21.3.2.

▪ Yves Guillemot, Deputy Chief Executive Officer (Resolution 7)

	Amount (€)	Comments																
Gross annual fixed compensation	18,360	Compensation set by the Board of Directors on May 24, 2018 and unchanged since 2012																
Annual variable compensation <i>(Details of how performance criteria are assessed can be found in section 21.6.1 of this report.)</i>	5,875.20	<div>Compensation set by the Board of Directors on February 28, 2020 Target: 20% of fixed compensation (and, if performance targets are exceeded, up to a maximum of 40% of fixed compensation). This annual bonus is based on the following internal quantitative criteria (two financial criteria and one non-financial criterion):</div> <table><tr><th>Quantitative criteria</th><th>% of variable</th><th>Target</th><th>Maximum</th></tr><tr><td>Growth in consolidated turnover</td><td>20%</td><td>5%</td><td>10%</td></tr><tr><td>Ratio of consolidated net income from ordinary activities to consolidated turnover</td><td>60%</td><td>3%</td><td>5%</td></tr><tr><td>Increase in total number of hours' training delivered to employees of the Group by accredited training organizations</td><td>20%</td><td>5%</td><td>10%</td></tr></table>	Quantitative criteria	% of variable	Target	Maximum	Growth in consolidated turnover	20%	5%	10%	Ratio of consolidated net income from ordinary activities to consolidated turnover	60%	3%	5%	Increase in total number of hours' training delivered to employees of the Group by accredited training organizations	20%	5%	10%
Quantitative criteria	% of variable	Target	Maximum															
Growth in consolidated turnover	20%	5%	10%															
Ratio of consolidated net income from ordinary activities to consolidated turnover	60%	3%	5%															
Increase in total number of hours' training delivered to employees of the Group by accredited training organizations	20%	5%	10%															
Compensation for service as a member of the Board of Directors (excl. directors' fees)	None	Yves Guillemot is not a member of the Board of Directors.																
Multi-year variable compensation	None	The compensation policy submitted to and approved by the shareholders at the shareholders' general meeting of May 27, 2021 does not include such components of compensation.																
Stock options	None																	
Free share awards	None																	
Exceptional compensation	None																	
Compensation, allowances or benefits that are or may become due as a result of taking up office	None																	
Components of compensation, allowances or benefits that are or may become due by reason of or subsequent to the assumption or cessation of duties or a change in duties, or defined benefit pension liabilities that meet the characteristics of the schemes referred to in Article L.137-11 of the French Social Security Code	None																	
Benefits in kind	None																	

▪ Gérard Guillemot, Deputy CEO (Resolution 8)

	Amount (€)	Comments																
Gross annual fixed compensation	18,360	Compensation set by the Board of Directors on May 24, 2018 and unchanged since 2012																
Annual variable compensation <i>(Details of how performance criteria are assessed can be found in section 21.6.1 of this report.)</i>	5,875.20	<div>Compensation set by the Board of Directors on February 28, 2020 Target: 20% of fixed compensation (and, if performance targets are exceeded, up to a maximum of 40% of fixed compensation). This annual bonus is based on the following internal quantitative criteria (two financial criteria and one non-financial criterion):</div> <table><tr><th>Quantitative criteria</th><th>% of variable</th><th>Target</th><th>Maximum</th></tr><tr><td>Growth in consolidated turnover</td><td>20%</td><td>5%</td><td>10%</td></tr><tr><td>Ratio of consolidated net income from ordinary activities to consolidated turnover</td><td>60%</td><td>3%</td><td>5%</td></tr><tr><td>Increase in total number of hours' training delivered to employees of the Group by accredited training organizations</td><td>20%</td><td>5%</td><td>10%</td></tr></table>	Quantitative criteria	% of variable	Target	Maximum	Growth in consolidated turnover	20%	5%	10%	Ratio of consolidated net income from ordinary activities to consolidated turnover	60%	3%	5%	Increase in total number of hours' training delivered to employees of the Group by accredited training organizations	20%	5%	10%
Quantitative criteria	% of variable	Target	Maximum															
Growth in consolidated turnover	20%	5%	10%															
Ratio of consolidated net income from ordinary activities to consolidated turnover	60%	3%	5%															
Increase in total number of hours' training delivered to employees of the Group by accredited training organizations	20%	5%	10%															
Compensation for service as a member of the Board of Directors (excl. directors' fees)	15,000	<div>Breakdown agreed by the Board of Directors on August 26, 2011 and unchanged since:</div> <ul style="list-style-type: none">• Fixed component of €10,000 paid half in January (covering the period January-June) and half in July (covering the period July-December); and• Variable component in proportion to directors' attendance at meetings of the Board of Directors held between December 1 and December 31 of the year under review, paid during the first three months of the following year:<ul style="list-style-type: none">- Directors attending 50% or fewer Board meetings: no payment- Directors attending between 50% and 75% of Board meetings: €2,000- Directors attending 75% or more Board meetings: €5,000																
Multi-year variable compensation	None	The compensation policy submitted to and approved by the shareholders at the shareholders' general meeting of May 27, 2021 does not include such components of compensation.																
Stock options	None																	
Free share awards	None																	
Exceptional compensation	None																	
Compensation, allowances or benefits that are or may become due as a result of taking up office	None																	
Components of compensation, allowances or benefits that are or may become due by reason of or subsequent to the assumption or cessation of duties or a change in duties, or defined benefit pension liabilities that meet the characteristics of the schemes referred to in Article L.137-11 of the French Social Security Code	None																	
Benefits in kind	None																	

* Attendance rates are set out in section 21.3.2.

▪ Christian Guillemot, Deputy CEO (Resolution 9)

	Amount (€)	Comments																
Gross annual fixed compensation	18,360	Compensation set by the Board of Directors on May 24, 2018 and unchanged since 2012																
Annual variable compensation <i>(Details of how performance criteria are assessed can be found in section 21.6.1 of this report.)</i>	5,875.20	<div>Compensation set by the Board of Directors on February 28, 2020 Target: 20% of fixed compensation (and, if performance targets are exceeded, up to a maximum of 40% of fixed compensation). This annual bonus is based on the following internal quantitative criteria (two financial criteria and one non-financial criterion):</div> <table><tr><th>Quantitative criteria</th><th>% of variable</th><th>Target</th><th>Maximum</th></tr><tr><td>Growth in consolidated turnover</td><td>20%</td><td>5%</td><td>10%</td></tr><tr><td>Ratio of consolidated net income from ordinary activities to consolidated turnover</td><td>60%</td><td>3%</td><td>5%</td></tr><tr><td>Increase in total number of hours' training delivered to employees of the Group by accredited training organizations</td><td>20%</td><td>5%</td><td>10%</td></tr></table>	Quantitative criteria	% of variable	Target	Maximum	Growth in consolidated turnover	20%	5%	10%	Ratio of consolidated net income from ordinary activities to consolidated turnover	60%	3%	5%	Increase in total number of hours' training delivered to employees of the Group by accredited training organizations	20%	5%	10%
Quantitative criteria	% of variable	Target	Maximum															
Growth in consolidated turnover	20%	5%	10%															
Ratio of consolidated net income from ordinary activities to consolidated turnover	60%	3%	5%															
Increase in total number of hours' training delivered to employees of the Group by accredited training organizations	20%	5%	10%															
Compensation for service as a member of the Board of Directors (excl. directors' fees)	15,000	<div>Breakdown agreed by the Board of Directors on August 26, 2011 and unchanged since:</div> <ul style="list-style-type: none">• Fixed component of €10,000 paid half in January (covering the period January-June) and half in July (covering the period July-December); and• Variable component in proportion to directors' attendance at meetings of the Board of Directors held between December 1 and December 31 of the year under review, paid during the first three months of the following year:<ul style="list-style-type: none">- Directors attending 50% or fewer Board meetings: no payment- Directors attending between 50% and 75% of Board meetings: €2,000- Directors attending 75% or more Board meetings: €5,000																
Multi-year variable compensation	None	The compensation policy submitted to and approved by the shareholders at the shareholders' general meeting of May 27, 2021 does not include such components of compensation.																
Stock options	None																	
Free share awards	None																	
Exceptional compensation	None																	
Compensation, allowances or benefits that are or may become due as a result of taking up office	None																	
Components of compensation, allowances or benefits that are or may become due by reason of or subsequent to the assumption or cessation of duties or a change in duties, or defined benefit pension liabilities that meet the characteristics of the schemes referred to in Article L.137-11 of the French Social Security Code	None																	
Benefits in kind	None																	

* Attendance rates are set out in section 21.3.2.

21.6.3 Compensation paid to all corporate officers subject to approval at the shareholders' general meeting (via an overall ex post vote)

(Resolution 10 submitted for approval at the shareholders' general meeting of June 9, 2022)

In accordance with the provisions of section I of Article L.22-10-34 of the French Commercial Code, the information referred to in section I of Article L.22-10-9 of the French Commercial Code is set out below for each of the corporate officers.

Claude Guillemot, Chairman and Chief Executive Officer and director

1. Components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2021 (by virtue of the office held)																			
	Amount (€)	Comments																	
Gross annual fixed compensation	147,000	Compensation set by the Board of Directors on May 24, 2018 and unchanged since 2012																	
Annual variable compensation <i>(Details of how performance criteria are assessed can be found in section 21.6.1 of this report.)</i>	47,040	Compensation set by the Board of Directors on February 28, 2020 Target: 20% of fixed compensation (and, if performance targets are exceeded, up to a maximum of 40% of fixed compensation). This annual bonus is based on the following internal quantitative criteria (two financial criteria and one non-financial criterion): <table border="1"> <thead> <tr> <th>Quantitative criteria</th><th>% of variable</th><th>Target</th><th>Maximum</th></tr> </thead> <tbody> <tr> <td>Growth in consolidated turnover</td><td>20%</td><td>5%</td><td>10%</td></tr> <tr> <td>Ratio of consolidated net income from ordinary activities to consolidated turnover</td><td>60%</td><td>3%</td><td>5%</td></tr> <tr> <td>Increase in total number of hours' training delivered to employees of the Group by accredited training organizations</td><td>20%</td><td>5%</td><td>10%</td></tr> </tbody> </table>		Quantitative criteria	% of variable	Target	Maximum	Growth in consolidated turnover	20%	5%	10%	Ratio of consolidated net income from ordinary activities to consolidated turnover	60%	3%	5%	Increase in total number of hours' training delivered to employees of the Group by accredited training organizations	20%	5%	10%
Quantitative criteria	% of variable	Target	Maximum																
Growth in consolidated turnover	20%	5%	10%																
Ratio of consolidated net income from ordinary activities to consolidated turnover	60%	3%	5%																
Increase in total number of hours' training delivered to employees of the Group by accredited training organizations	20%	5%	10%																
Compensation for service as a member of the Board of Directors (excl. directors' fees)	15,000	Breakdown agreed by the Board of Directors on August 26, 2011 and unchanged since: • Fixed component of €10,000 paid half in January (covering the period January-June) and half in July (covering the period July-December); and • Variable component in proportion to directors' attendance at meetings of the Board of Directors held between December 1 and December 31 of the year under review, paid during the first three months of the following year: - Directors attending 50% or fewer Board meetings: no payment - Directors attending between 50% and 75% of Board meetings: €2,000 - Directors attending 75% or more Board meetings: €5,000																	
Other variable compensation	None	The compensation policy submitted to and approved by the shareholders at the shareholders' general meeting of May 27, 2021 does not include such components of compensation.																	
Exceptional compensation	None																		
Stock options	None																		
Free share awards	None																		
Compensation in the form of shares of stock, debt instruments or securities giving access to equity or entitling the holder to receive debt instruments of the Company or of companies referred to in Articles L.228-13 and L.228-93 of the French Commercial Code	None																		
Benefits in kind	None																		

* Attendance rates are set out in section 21.3.2.

Claude Guillemot, Chairman and Chief Executive Officer and director (contd.)

2.	Relative proportions of fixed and variable compensation	In respect of duties as Chairman and CEO: Fixed compensation: 75.76% Variable compensation: 24.24% In respect of duties as a director: Fixed compensation: 66.67% Variable compensation: 33.33%
3.	Use of the option to claw back variable compensation	N/A during the fiscal year ended December 31, 2021
4.	Commitments of any kind entered into by the Company corresponding to compensation, allowances or benefits that are or may become due by reason of or subsequent to the assumption or cessation of duties or a change in duties, including in particular pension liabilities and other lifetime benefits, stating, in accordance with terms and conditions established by decree, exactly how those commitments are determined and estimating the amounts liable to be paid out in respect thereof	None
5.	Compensation paid or allotted by a company falling within the scope of consolidation as defined in Article L.233-16 of the French Commercial Code	None
6.	Ratio of executive compensation to: - mean compensation on a full-time equivalent basis paid to employees of the Company other than the corporate officers; - median compensation on a full-time equivalent basis paid to employees of the Company other than the corporate officers.	N/A: Guillemot Corporation S.A. has no salaried employees.
7.	Annual change in compensation, performance of the Company, mean compensation on a full-time equivalent basis paid to employees of the Company other than the executive directors, and the ratios referred to in point 6 above, over at least the past five years, presented together in such a way as to allow for comparison.	N/A: Guillemot Corporation S.A. has no salaried employees.
8.	Explanation of how total compensation is in keeping with the compensation policy in force, including how it contributes to the Company's long-term performance, and how performance criteria were applied <i>(Details of how performance criteria are assessed can be found in section 21.6.1 of this report.)</i>	Compensation is in keeping with the compensation policy approved by the shareholders at the shareholders' general meeting of May 27, 2021, consisting of the following: - Gross annual fixed compensation in respect of duties as Chairman and Chief Executive Officer - Variable compensation in respect of duties as Chairman and Chief Executive Officer, with two performance criteria having been met - Fixed compensation in respect of duties as a director - Variable compensation in respect of duties as a director in proportion to attendance at Board meetings
9.	How the vote at the last ordinary shareholders' general meeting provided for in section I of Article L.22-10-34 of the French Commercial Code was taken into account	The shareholders voted unanimously in favor at the shareholders' general meeting of May 27, 2021.
10.	Any divergence from the procedure for implementing compensation policy and any exemption applied in accordance with the second paragraph of section III of Article L.22-10-8 of the French Commercial Code, including an explanation of the nature of any exceptional circumstances and an indication of specific requirements from which the Company is exempt	None
11.	Application of the provisions of the second paragraph of Article L.225-45 of the French Commercial Code	During the fiscal year ended December 31, 2021, payment to the director of the amount due in respect of his/her service was not suspended, since the proportion of directors of each gender was greater than 40% over the course of the year.

Michel Guillemot, Deputy Chief Executive Officer and director

1. Components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2021 (by virtue of the office held)																			
	Amount (€)	Comments																	
Gross annual fixed compensation	18,360	Compensation set by the Board of Directors on May 24, 2018 and unchanged since 2012																	
Annual variable compensation <i>(Details of how performance criteria are assessed can be found in section 21.6.1 of this report.)</i>	5,875.20	<p>Compensation set by the Board of Directors on February 28, 2020</p> <p>Target: 20% of fixed compensation (and, if performance targets are exceeded, up to a maximum of 40% of fixed compensation). This annual bonus is based on the following internal quantitative criteria (two financial criteria and one non-financial criterion):</p> <table border="1"> <thead> <tr> <th>Quantitative criteria</th><th>% of variable</th><th>Target</th><th>Maximum</th></tr> </thead> <tbody> <tr> <td>Growth in consolidated turnover</td><td>20%</td><td>5%</td><td>10%</td></tr> <tr> <td>Ratio of consolidated net income from ordinary activities to consolidated turnover</td><td>60%</td><td>3%</td><td>5%</td></tr> <tr> <td>Increase in total number of hours' training delivered to employees of the Group by accredited training organizations</td><td>20%</td><td>5%</td><td>10%</td></tr> </tbody> </table>		Quantitative criteria	% of variable	Target	Maximum	Growth in consolidated turnover	20%	5%	10%	Ratio of consolidated net income from ordinary activities to consolidated turnover	60%	3%	5%	Increase in total number of hours' training delivered to employees of the Group by accredited training organizations	20%	5%	10%
Quantitative criteria	% of variable	Target	Maximum																
Growth in consolidated turnover	20%	5%	10%																
Ratio of consolidated net income from ordinary activities to consolidated turnover	60%	3%	5%																
Increase in total number of hours' training delivered to employees of the Group by accredited training organizations	20%	5%	10%																
Compensation for service as a member of the Board of Directors (excl. directors' fees)	15,000	<p>Breakdown agreed by the Board of Directors on August 26, 2011 and unchanged since:</p> <ul style="list-style-type: none"> • Fixed component of €10,000 paid half in January (covering the period January-June) and half in July (covering the period July-December); and • Variable component in proportion to directors' attendance at meetings of the Board of Directors held between December 1 and December 31 of the year under review, paid during the first three months of the following year: <ul style="list-style-type: none"> - Directors attending 50% or fewer Board meetings: no payment - Directors attending between 50% and 75% of Board meetings: €2,000 - Directors attending 75% or more Board meetings: €5,000 																	
Other variable compensation	None	The compensation policy submitted to and approved by the shareholders at the shareholders' general meeting of May 27, 2021 does not include such components of compensation.																	
Exceptional compensation	None																		
Stock options	None																		
Free share awards	None																		
Compensation in the form of shares of stock, debt instruments or securities giving access to equity or entitling the holder to receive debt instruments of the Company or of companies referred to in Articles L.228-13 and L.228-93 of the French Commercial Code	None																		
Benefits in kind	None																		

* Attendance rates are set out in section 21.3.2.

Michel Guillemot, Deputy Chief Executive Officer and director (contd.)

2.	Relative proportions of fixed and variable compensation	In respect of duties as Deputy CEO: Fixed compensation: 75.76% Variable compensation: 24.24% In respect of duties as a director: Fixed compensation: 66.67% Variable compensation: 33.33%
3.	Use of the option to claw back variable compensation	N/A during the fiscal year ended December 31, 2021
4.	Commitments of any kind entered into by the Company corresponding to compensation, allowances or benefits that are or may become due by reason of or subsequent to the assumption or cessation of duties or a change in duties, including in particular pension liabilities and other lifetime benefits, stating, in accordance with terms and conditions established by decree, exactly how those commitments are determined and estimating the amounts liable to be paid out in respect thereof	None
5.	Compensation paid or allotted by a company falling within the scope of consolidation as defined in Article L.233-16 of the French Commercial Code	None
6.	Ratio of executive compensation to: - mean compensation on a full-time equivalent basis paid to employees of the Company other than the corporate officers; - median compensation on a full-time equivalent basis paid to employees of the Company other than the corporate officers.	N/A: Guillemot Corporation S.A. has no salaried employees.
7.	Annual change in compensation, performance of the Company, mean compensation on a full-time equivalent basis paid to employees of the Company other than the executive directors, and the ratios referred to in point 6 above, over at least the past five years, presented together in such a way as to allow for comparison.	N/A: Guillemot Corporation S.A. has no salaried employees.
8.	Explanation of how total compensation is in keeping with the compensation policy in force, including how it contributes to the Company's long-term performance, and how performance criteria were applied (Details of how performance criteria are assessed can be found in section 21.6.1 of this report.)	Compensation is in keeping with the compensation policy approved by the shareholders at the shareholders' general meeting of May 27, 2021, consisting of the following: - Gross annual fixed compensation in respect of duties as Deputy CEO - Variable compensation in respect of duties as Deputy Chief Executive Officer, with two performance criteria having been met - Fixed compensation in respect of duties as a director - Variable compensation in respect of duties as a director in proportion to attendance at Board meetings
9.	How the vote at the last ordinary shareholders' general meeting provided for in section I of Article L.22-10-34 of the French Commercial Code was taken into account	The shareholders voted unanimously in favor at the shareholders' general meeting of May 27, 2021.
10.	Any divergence from the procedure for implementing compensation policy and any exemption applied in accordance with the second paragraph of section III of Article L.22-10-8 of the French Commercial Code, including an explanation of the nature of any exceptional circumstances and an indication of specific requirements from which the Company is exempt	None
11.	Application of the provisions of the second paragraph of Article L.225-45 of the French Commercial Code	During the fiscal year ended December 31, 2021, payment to the director of the amount due in respect of his/her service was not suspended, since the proportion of directors of each gender was greater than 40% over the course of the year.

Yves Guillemot, Deputy Chief Executive Officer

1.	Components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2021 (by virtue of the office held)																			
		Amount (€)	Comments																	
	Gross annual fixed compensation	18,360	Compensation set by the Board of Directors on May 24, 2018 and unchanged since 2012																	
	Annual variable compensation (Details of how performance criteria are assessed can be found in section 21.6.1 of this report.)	5,875.20	Compensation set by the Board of Directors on February 28, 2020 Target: 20% of fixed compensation (and, if performance targets are exceeded, up to a maximum of 40% of fixed compensation). This annual bonus is based on the following internal quantitative criteria (two financial criteria and one non-financial criterion): <table><tr><td>Quantitative criteria</td><td>% of variable</td><td>Target</td><td>Maximum</td></tr><tr><td>Growth in consolidated turnover</td><td>20%</td><td>5%</td><td>10%</td></tr><tr><td>Ratio of consolidated net income from ordinary activities to consolidated turnover</td><td>60%</td><td>3%</td><td>5%</td></tr><tr><td>Increase in total number of hours' training delivered to employees of the Group by accredited training organizations</td><td>20%</td><td>5%</td><td>10%</td></tr></table>		Quantitative criteria	% of variable	Target	Maximum	Growth in consolidated turnover	20%	5%	10%	Ratio of consolidated net income from ordinary activities to consolidated turnover	60%	3%	5%	Increase in total number of hours' training delivered to employees of the Group by accredited training organizations	20%	5%	10%
	Quantitative criteria	% of variable	Target	Maximum																
	Growth in consolidated turnover	20%	5%	10%																
	Ratio of consolidated net income from ordinary activities to consolidated turnover	60%	3%	5%																
	Increase in total number of hours' training delivered to employees of the Group by accredited training organizations	20%	5%	10%																
	Compensation for service as a member of the Board of Directors (excl. directors' fees)	None	Yves Guillemot is not a member of the Board of Directors.																	
	Other variable compensation	None	The compensation policy submitted to and approved by the shareholders at the shareholders' general meeting of May 27, 2021 does not include such components of compensation.																	
	Exceptional compensation	None																		
	Stock options	None																		
Free share awards	None																			
Compensation in the form of shares of stock, debt instruments or securities giving access to equity or entitling the holder to receive debt instruments of the Company or of companies referred to in Articles L.228-13 and L.228-93 of the French Commercial Code	None																			
Benefits in kind	None																			

Yves Guillemot, Deputy Chief Executive Officer (contd.)

2.	Relative proportions of fixed and variable compensation	In respect of duties as Deputy CEO: Fixed compensation: 75.76% Variable compensation: 24.24%
3.	Use of the option to claw back variable compensation	N/A during the fiscal year ended December 31, 2021
4.	Commitments of any kind entered into by the Company corresponding to compensation, allowances or benefits that are or may become due by reason of or subsequent to the assumption or cessation of duties or a change in duties, including in particular pension liabilities and other lifetime benefits, stating, in accordance with terms and conditions established by decree, exactly how those commitments are determined and estimating the amounts liable to be paid out in respect thereof	None
5.	Compensation paid or allotted by a company falling within the scope of consolidation as defined in Article L.233-16 of the French Commercial Code	None
6.	Ratio of executive compensation to: - mean compensation on a full-time equivalent basis paid to employees of the Company other than the corporate officers; - median compensation on a full-time equivalent basis paid to employees of the Company other than the corporate officers.	N/A: Guillemot Corporation S.A. has no salaried employees.
7.	Annual change in compensation, performance of the Company, mean compensation on a full-time equivalent basis paid to employees of the Company other than the executive directors, and the ratios referred to in point 6 above, over at least the past five years, presented together in such a way as to allow for comparison.	N/A: Guillemot Corporation S.A. has no salaried employees.
8.	Explanation of how total compensation is in keeping with the compensation policy in force, including how it contributes to the Company's long-term performance, and how performance criteria were applied <i>(Details of how performance criteria are assessed can be found in section 21.6.1 of this report.)</i>	Compensation is in keeping with the compensation policy approved by the shareholders at the shareholders' general meeting of May 27, 2021, consisting of the following: - Gross annual fixed compensation in respect of duties as Deputy CEO - Variable compensation in respect of duties as Deputy Chief Executive Officer, with two performance criteria having been met
9.	How the vote at the last ordinary shareholders' general meeting provided for in section I of Article L.22-10-34 of the French Commercial Code was taken into account	The shareholders voted unanimously in favor at the shareholders' general meeting of May 27, 2021.
10.	Any divergence from the procedure for implementing compensation policy and any exemption applied in accordance with the second paragraph of section III of Article L.22-10-8 of the French Commercial Code, including an explanation of the nature of any exceptional circumstances and an indication of specific requirements from which the Company is exempt	None
11.	Application of the provisions of the second paragraph of Article L.225-45 of the French Commercial Code	During the fiscal year ended December 31, 2021, payment to the director of the amount due in respect of his/her service was not suspended, since the proportion of directors of each gender was greater than 40% over the course of the year.

Gérard Guillemot, Deputy Chief Executive Officer and director

1.	Components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2021 (by virtue of the office held)																		
		Amount (€)	Comments																
	Gross annual fixed compensation	18,360	Compensation set by the Board of Directors on May 24, 2018 and unchanged since 2012																
	Annual variable compensation (Details of how performance criteria are assessed can be found in section 21.6.1 of this report.)	5,875.20	Compensation set by the Board of Directors on February 28, 2020 Target: 20% of fixed compensation (and, if performance targets are exceeded, up to a maximum of 40% of fixed compensation). This annual bonus is based on the following internal quantitative criteria (two financial criteria and one non-financial criterion): <table><tr><td>Quantitative criteria</td><td>% of variable</td><td>Target</td><td>Maximum</td></tr><tr><td>Growth in consolidated turnover</td><td>20%</td><td>5%</td><td>10%</td></tr><tr><td>Ratio of consolidated net income from ordinary activities to consolidated turnover</td><td>60%</td><td>3%</td><td>5%</td></tr><tr><td>Increase in total number of hours' training delivered to employees of the Group by accredited training organizations</td><td>20%</td><td>5%</td><td>10%</td></tr></table>	Quantitative criteria	% of variable	Target	Maximum	Growth in consolidated turnover	20%	5%	10%	Ratio of consolidated net income from ordinary activities to consolidated turnover	60%	3%	5%	Increase in total number of hours' training delivered to employees of the Group by accredited training organizations	20%	5%	10%
	Quantitative criteria	% of variable	Target	Maximum															
	Growth in consolidated turnover	20%	5%	10%															
	Ratio of consolidated net income from ordinary activities to consolidated turnover	60%	3%	5%															
	Increase in total number of hours' training delivered to employees of the Group by accredited training organizations	20%	5%	10%															
	Compensation for service as a member of the Board of Directors (excl. directors' fees)	15,000	Breakdown agreed by the Board of Directors on August 26, 2011 and unchanged since: <ul style="list-style-type: none">• Fixed component of €10,000 paid half in January (covering the period January-June) and half in July (covering the period July-December); and• Variable component in proportion to directors' attendance at meetings of the Board of Directors held between December 1 and December 31 of the year under review, paid during the first three months of the following year:<ul style="list-style-type: none">- Directors attending 50% or fewer Board meetings: no payment- Directors attending between 50% and 75% of Board meetings: €2,000- Directors attending 75% or more Board meetings: €5,000																
	Other variable compensation	None	The compensation policy submitted to and approved by the shareholders at the shareholders' general meeting of May 27, 2021 does not include such components of compensation.																
Exceptional compensation	None																		
Stock options	None																		
Free share awards	None																		
Compensation in the form of shares of stock, debt instruments or securities giving access to equity or entitling the holder to receive debt instruments of the Company or of companies referred to in Articles L.228-13 and L.228-93 of the French Commercial Code	None																		
Benefits in kind	None																		

* Attendance rates are set out in section 21.3.2.

Gérard Guillemot, Deputy Chief Executive Officer and director (contd.)

2.	Relative proportions of fixed and variable compensation	<p>In respect of duties as Deputy CEO: Fixed compensation: 75.76% Variable compensation: 24.24%</p> <p>In respect of duties as a director: Fixed compensation: 66.67% Variable compensation: 33.33%</p>
3.	Use of the option to claw back variable compensation	N/A during the fiscal year ended December 31, 2021
4.	Commitments of any kind entered into by the Company corresponding to compensation, allowances or benefits that are or may become due by reason of or subsequent to the assumption or cessation of duties or a change in duties, including in particular pension liabilities and other lifetime benefits, stating, in accordance with terms and conditions established by decree, exactly how those commitments are determined and estimating the amounts liable to be paid out in respect thereof	None
5.	Compensation paid or allotted by a company falling within the scope of consolidation as defined in Article L.233-16 of the French Commercial Code	None
6.	Ratio of executive compensation to: - mean compensation on a full-time equivalent basis paid to employees of the Company other than the corporate officers; - median compensation on a full-time equivalent basis paid to employees of the Company other than the corporate officers.	N/A: Guillemot Corporation S.A. has no salaried employees.
7.	Annual change in compensation, performance of the Company, mean compensation on a full-time equivalent basis paid to employees of the Company other than the executive directors, and the ratios referred to in point 6 above, over at least the past five years, presented together in such a way as to allow for comparison.	N/A: Guillemot Corporation S.A. has no salaried employees.
8.	<p>Explanation of how total compensation is in keeping with the compensation policy in force, including how it contributes to the Company's long-term performance, and how performance criteria were applied</p> <p><i>(Details of how performance criteria are assessed can be found in section 21.6.1 of this report.)</i></p>	<p>Compensation is in keeping with the compensation policy approved by the shareholders at the shareholders' general meeting of May 27, 2021, consisting of the following:</p> <ul style="list-style-type: none"> - Gross annual fixed compensation in respect of duties as Deputy CEO - Variable compensation in respect of duties as Deputy Chief Executive Officer, with two performance criteria having been met - Fixed compensation in respect of duties as a director - Variable compensation in respect of duties as a director in proportion to attendance at Board meetings
9.	How the vote at the last ordinary shareholders' general meeting provided for in section I of Article L.22-10-34 of the French Commercial Code was taken into account	The shareholders voted unanimously in favor at the shareholders' general meeting of May 27, 2021.
10.	Any divergence from the procedure for implementing compensation policy and any exemption applied in accordance with the second paragraph of section III of Article L.22-10-8 of the French Commercial Code, including an explanation of the nature of any exceptional circumstances and an indication of specific requirements from which the Company is exempt	None
11.	Application of the provisions of the second paragraph of Article L.225-45 of the French Commercial Code	During the fiscal year ended December 31, 2021, payment to the director of the amount due in respect of his/her service was not suspended, since the proportion of directors of each gender was greater than 40% over the course of the year.

Christian Guillemot, Deputy Chief Executive Officer and director

1. Components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2021 (by virtue of the office held)																			
	Amount (€)	Comments																	
Gross annual fixed compensation	18,360	Compensation set by the Board of Directors on May 24, 2018 and unchanged since 2012																	
Annual variable compensation <i>(Details of how performance criteria are assessed can be found in section 21.6.1 of this report.)</i>	5,875.20	<p>Compensation set by the Board of Directors on February 28, 2020</p> <p>Target: 20% of fixed compensation (and, if performance targets are exceeded, up to a maximum of 40% of fixed compensation). This annual bonus is based on the following internal quantitative criteria (two financial criteria and one non-financial criterion):</p> <table border="1"> <thead> <tr> <th>Quantitative criteria</th><th>% of variable</th><th>Target</th><th>Maximum</th></tr> </thead> <tbody> <tr> <td>Growth in consolidated turnover</td><td>20%</td><td>5%</td><td>10%</td></tr> <tr> <td>Ratio of consolidated net income from ordinary activities to consolidated turnover</td><td>60%</td><td>3%</td><td>5%</td></tr> <tr> <td>Increase in total number of hours' training delivered to employees of the Group by accredited training organizations</td><td>20%</td><td>5%</td><td>10%</td></tr> </tbody> </table>		Quantitative criteria	% of variable	Target	Maximum	Growth in consolidated turnover	20%	5%	10%	Ratio of consolidated net income from ordinary activities to consolidated turnover	60%	3%	5%	Increase in total number of hours' training delivered to employees of the Group by accredited training organizations	20%	5%	10%
Quantitative criteria	% of variable	Target	Maximum																
Growth in consolidated turnover	20%	5%	10%																
Ratio of consolidated net income from ordinary activities to consolidated turnover	60%	3%	5%																
Increase in total number of hours' training delivered to employees of the Group by accredited training organizations	20%	5%	10%																
Compensation for service as a member of the Board of Directors (excl. directors' fees)	15,000	<p>Breakdown agreed by the Board of Directors on August 26, 2011 and unchanged since:</p> <ul style="list-style-type: none"> Fixed component of €10,000 paid half in January (covering the period January-June) and half in July (covering the period July-December); and Variable component in proportion to directors' attendance at meetings of the Board of Directors held between December 1 and December 31 of the year under review, paid during the first three months of the following year: <ul style="list-style-type: none"> Directors attending 50% or fewer Board meetings: no payment Directors attending between 50% and 75% of Board meetings: €2,000 Directors attending 75% or more Board meetings: €5,000 																	
Other variable compensation	None	The compensation policy submitted to and approved by the shareholders at the shareholders' general meeting of May 27, 2021 does not include such components of compensation.																	
Exceptional compensation	None																		
Stock options	None																		
Free share awards	None																		
Compensation in the form of shares of stock, debt instruments or securities giving access to equity or entitling the holder to receive debt instruments of the Company or of companies referred to in Articles L.228-13 and L.228-93 of the French Commercial Code	None																		
Benefits in kind	None																		

* Attendance rates are set out in section 21.3.2.

Christian Guillemot, Deputy Chief Executive Officer and director (contd.)

2.	Relative proportions of fixed and variable compensation	<p>In respect of duties as Deputy CEO: Fixed compensation: 75.76% Variable compensation: 24.24%</p> <p>In respect of duties as a director: Fixed compensation: 66.67% Variable compensation: 33.33%</p>
3.	Use of the option to claw back variable compensation	N/A during the fiscal year ended December 31, 2021
4.	Commitments of any kind entered into by the Company corresponding to compensation, allowances or benefits that are or may become due by reason of or subsequent to the assumption or cessation of duties or a change in duties, including in particular pension liabilities and other lifetime benefits, stating, in accordance with terms and conditions established by decree, exactly how those commitments are determined and estimating the amounts liable to be paid out in respect thereof	None
5.	Compensation paid or allotted by a company falling within the scope of consolidation as defined in Article L.233-16 of the French Commercial Code	None
6.	Ratio of executive compensation to: - mean compensation on a full-time equivalent basis paid to employees of the Company other than the corporate officers; - median compensation on a full-time equivalent basis paid to employees of the Company other than the corporate officers.	N/A: Guillemot Corporation S.A. has no salaried employees.
7.	Annual change in compensation, performance of the Company, mean compensation on a full-time equivalent basis paid to employees of the Company other than the executive directors, and the ratios referred to in point 6 above, over at least the past five years, presented together in such a way as to allow for comparison.	N/A: Guillemot Corporation S.A. has no salaried employees.
8.	<p>Explanation of how total compensation is in keeping with the compensation policy in force, including how it contributes to the Company's long-term performance, and how performance criteria were applied</p> <p><i>(Details of how performance criteria are assessed can be found in section 21.6.1 of this report.)</i></p>	<p>Compensation is in keeping with the compensation policy approved by the shareholders at the shareholders' general meeting of May 27, 2021, consisting of the following:</p> <ul style="list-style-type: none"> - Gross annual fixed compensation in respect of duties as Deputy CEO - Variable compensation in respect of duties as Deputy Chief Executive Officer, with two performance criteria having been met - Fixed compensation in respect of duties as a director - Variable compensation in respect of duties as a director in proportion to attendance at Board meetings
9.	How the vote at the last ordinary shareholders' general meeting provided for in section I of Article L.22-10-34 of the French Commercial Code was taken into account	The shareholders voted unanimously in favor at the shareholders' general meeting of May 27, 2021.
10.	Any divergence from the procedure for implementing compensation policy and any exemption applied in accordance with the second paragraph of section III of Article L.22-10-8 of the French Commercial Code, including an explanation of the nature of any exceptional circumstances and an indication of specific requirements from which the Company is exempt	None
11.	Application of the provisions of the second paragraph of Article L.225-45 of the French Commercial Code	During the fiscal year ended December 31, 2021, payment to the director of the amount due in respect of his/her service was not suspended, since the proportion of directors of each gender was greater than 40% over the course of the year.

Marie-Hélène Lair, director

1.	Components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2021 (by virtue of the office held)	
	Amount (€)	Comments
	15,000	Breakdown agreed by the Board of Directors on August 26, 2011 and unchanged since: <ul style="list-style-type: none"> • Fixed component of €10,000 paid half in January (covering the period January-June) and half in July (covering the period July-December); and • Variable component in proportion to directors' attendance at meetings of the Board of Directors held between December 1 and December 31 of the year under review, paid during the first three months of the following year: <ul style="list-style-type: none"> - Directors attending 50% or fewer Board meetings: no payment - Directors attending between 50% and 75% of Board meetings: €2,000 - Directors attending 75% or more Board meetings: €5,000
	Gross annual fixed compensation	N/A
	Annual variable compensation	N/A
	Other variable compensation	N/A
	Exceptional compensation	N/A
	Stock options	N/A
	Free share awards	N/A
	Compensation in the form of shares of stock, debt instruments or securities giving access to equity or entitling the holder to receive debt instruments of the Company or of companies referred to in Articles L.228-13 and L.228-93 of the French Commercial Code	N/A
	Benefits in kind	N/A

* Attendance rates are set out in section 21.3.2.

Marie-Hélène Lair, director (contd.)

2.	Relative proportions of fixed and variable compensation	In respect of duties as a director: Fixed compensation: 66.67% Variable compensation: 33.33%
3.	Use of the option to claw back variable compensation	N/A during the fiscal year ended December 31, 2021
4.	Commitments of any kind entered into by the Company corresponding to compensation, allowances or benefits that are or may become due by reason of or subsequent to the assumption or cessation of duties or a change in duties, including in particular pension liabilities and other lifetime benefits, stating, in accordance with terms and conditions established by decree, exactly how those commitments are determined and estimating the amounts liable to be paid out in respect thereof	None
5.	Compensation paid or allotted by a company falling within the scope of consolidation as defined in Article L.233-16 of the French Commercial Code	None
6.	Ratio of executive compensation to: - mean compensation on a full-time equivalent basis paid to employees of the Company other than the corporate officers; - median compensation on a full-time equivalent basis paid to employees of the Company other than the corporate officers.	N/A: Marie-Hélène Lair is a director, not an executive director.
7.	Annual change in compensation, performance of the Company, mean compensation on a full-time equivalent basis paid to employees of the Company other than the executive directors, and the ratios referred to in point 6 above, over at least the past five years, presented together in such a way as to allow for comparison.	N/A: Guillemot Corporation S.A. has no salaried employees.
8.	Explanation of how total compensation is in keeping with the compensation policy in force, including how it contributes to the Company's long-term performance, and how performance criteria were applied	Compensation is in keeping with the compensation policy approved by the shareholders at the shareholders' general meeting of May 27, 2021, consisting of the following: - Fixed compensation in respect of duties as a director - Variable compensation in respect of duties as a director in proportion to attendance at Board meetings
9.	How the vote at the last ordinary shareholders' general meeting provided for in section I of Article L.22-10-34 of the French Commercial Code was taken into account	The shareholders voted unanimously in favor at the shareholders' general meeting of May 27, 2021.
10.	Any divergence from the procedure for implementing compensation policy and any exemption applied in accordance with the second paragraph of section III of Article L.22-10-8 of the French Commercial Code, including an explanation of the nature of any exceptional circumstances and an indication of specific requirements from which the Company is exempt	None
11.	Application of the provisions of the second paragraph of Article L.225-45 of the French Commercial Code	During the fiscal year ended December 31, 2021, payment to the director of the amount due in respect of his/her service was not suspended, since the proportion of directors of each gender was greater than 40% over the course of the year.

Maryvonne Le Roch-Nocera, director

1.	Components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2021 (by virtue of the office held)	
	Amount (€)	Comments
	15,000	Breakdown agreed by the Board of Directors on August 26, 2011 and unchanged since: <ul style="list-style-type: none"> • Fixed component of €10,000 paid half in January (covering the period January-June) and half in July (covering the period July-December); and • Variable component in proportion to directors' attendance at meetings of the Board of Directors held between December 1 and December 31 of the year under review, paid during the first three months of the following year: <ul style="list-style-type: none"> - Directors attending 50% or fewer Board meetings: no payment - Directors attending between 50% and 75% of Board meetings: €2,000 - Directors attending 75% or more Board meetings: €5,000
	N/A	The compensation policy submitted to and approved by the shareholders at the shareholders' general meeting of May 27, 2021 does not include such components of compensation.
	N/A	
	N/A	
	N/A	
	N/A	
	N/A	
	N/A	
	N/A	
	N/A	

* Attendance rates are set out in section 21.3.2.

Maryvonne Le Roch-Nocera, director (contd.)

2.	Relative proportions of fixed and variable compensation	In respect of duties as a director: Fixed compensation: 66.67% Variable compensation: 33.33%
3.	Use of the option to claw back variable compensation	N/A during the fiscal year ended December 31, 2021
4.	Commitments of any kind entered into by the Company corresponding to compensation, allowances or benefits that are or may become due by reason of or subsequent to the assumption or cessation of duties or a change in duties, including in particular pension liabilities and other lifetime benefits, stating, in accordance with terms and conditions established by decree, exactly how those commitments are determined and estimating the amounts liable to be paid out in respect thereof	None
5.	Compensation paid or allotted by a company falling within the scope of consolidation as defined in Article L.233-16 of the French Commercial Code	None
6.	Ratio of executive compensation to: - mean compensation on a full-time equivalent basis paid to employees of the Company other than the corporate officers; - median compensation on a full-time equivalent basis paid to employees of the Company other than the corporate officers.	N/A: Maryvonne Le Roch-Nocera is a director, not an executive director.
7.	Annual change in compensation, performance of the Company, mean compensation on a full-time equivalent basis paid to employees of the Company other than the executive directors, and the ratios referred to in point 6 above, over at least the past five years, presented together in such a way as to allow for comparison.	N/A: Guillemot Corporation S.A. has no salaried employees.
8.	Explanation of how total compensation is in keeping with the compensation policy in force, including how it contributes to the Company's long-term performance, and how performance criteria were applied	Compensation is in keeping with the compensation policy approved by the shareholders at the shareholders' general meeting of May 27, 2021, consisting of the following: - Fixed compensation in respect of duties as a director - Variable compensation in respect of duties as a director in proportion to attendance at Board meetings
9.	How the vote at the last ordinary shareholders' general meeting provided for in section I of Article L.22-10-34 of the French Commercial Code was taken into account	The shareholders voted unanimously in favor at the shareholders' general meeting of May 27, 2021.
10.	Any divergence from the procedure for implementing compensation policy and any exemption applied in accordance with the second paragraph of section III of Article L.22-10-8 of the French Commercial Code, including an explanation of the nature of any exceptional circumstances and an indication of specific requirements from which the Company is exempt	None
11.	Application of the provisions of the second paragraph of Article L.225-45 of the French Commercial Code	During the fiscal year ended December 31, 2021, payment to the director of the amount due in respect of his/her service was not suspended, since the proportion of directors of each gender was greater than 40% over the course of the year.

Corinne Le Roy, director

1.	Components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2021 (by virtue of the office held)	
	Amount (€)	Comments
	15,000	Breakdown agreed by the Board of Directors on August 26, 2011 and unchanged since: <ul style="list-style-type: none"> • Fixed component of €10,000 paid half in January (covering the period January-June) and half in July (covering the period July-December); and • Variable component in proportion to directors' attendance at meetings of the Board of Directors held between December 1 and December 31 of the year under review, paid during the first three months of the following year: <ul style="list-style-type: none"> - Directors attending 50% or fewer Board meetings: no payment - Directors attending between 50% and 75% of Board meetings: €2,000 - Directors attending 75% or more Board meetings: €5,000
	N/A	The compensation policy submitted to and approved by the shareholders at the shareholders' general meeting of May 27, 2021 does not include such components of compensation.
	N/A	
	N/A	
	N/A	
	N/A	
	N/A	
	N/A	
	N/A	
	N/A	

* Attendance rates are set out in section 21.3.2.

Corinne Le Roy, director (contd.)

2.	Relative proportions of fixed and variable compensation	In respect of duties as a director: Fixed compensation: 66.67% Variable compensation: 33.33%
3.	Use of the option to claw back variable compensation	N/A during the fiscal year ended December 31, 2021
4.	Commitments of any kind entered into by the Company corresponding to compensation, allowances or benefits that are or may become due by reason of or subsequent to the assumption or cessation of duties or a change in duties, including in particular pension liabilities and other lifetime benefits, stating, in accordance with terms and conditions established by decree, exactly how those commitments are determined and estimating the amounts liable to be paid out in respect thereof	None
5.	Compensation paid or allotted by a company falling within the scope of consolidation as defined in Article L.233-16 of the French Commercial Code	None
6.	Ratio of executive compensation to: - mean compensation on a full-time equivalent basis paid to employees of the Company other than the corporate officers; - median compensation on a full-time equivalent basis paid to employees of the Company other than the corporate officers.	N/A: Corinne Le Roy is a director, not an executive director.
7.	Annual change in compensation, performance of the Company, mean compensation on a full-time equivalent basis paid to employees of the Company other than the executive directors, and the ratios referred to in point 6 above, over at least the past five years, presented together in such a way as to allow for comparison.	N/A: Guillemot Corporation S.A. has no salaried employees.
8.	Explanation of how total compensation is in keeping with the compensation policy in force, including how it contributes to the Company's long-term performance, and how performance criteria were applied	Compensation is in keeping with the compensation policy approved by the shareholders at the shareholders' general meeting of May 27, 2021, consisting of the following: - Fixed compensation in respect of duties as a director - Variable compensation in respect of duties as a director in proportion to attendance at Board meetings
9.	How the vote at the last ordinary shareholders' general meeting provided for in section I of Article L.22-10-34 of the French Commercial Code was taken into account	The shareholders voted unanimously in favor at the shareholders' general meeting of May 27, 2021.
10.	Any divergence from the procedure for implementing compensation policy and any exemption applied in accordance with the second paragraph of section III of Article L.22-10-8 of the French Commercial Code, including an explanation of the nature of any exceptional circumstances and an indication of specific requirements from which the Company is exempt	None
11.	Application of the provisions of the second paragraph of Article L.225-45 of the French Commercial Code	During the fiscal year ended December 31, 2021, payment to the director of the amount due in respect of his/her service was not suspended, since the proportion of directors of each gender was greater than 40% over the course of the year.

21.6.4 Executive compensation policy subject to approval by the shareholders (via an ex ante vote)

(Resolution 11 submitted for approval at the shareholders' general meeting of June 9, 2022)

In accordance with the provisions of section II of Article L.22-10-8 of the French Commercial Code, the compensation policy applicable to corporate officers established by the Board of Directors at its meeting of February 28, 2020 and not amended since is set out below.

21.6.4.1 Information concerning all corporate officers

The compensation policy applicable to corporate officers mainly takes into account the level of responsibility associated with each corporate officer's duties, together with development of the Group's business, the Group's performance and the achievement of targets designed to contribute to the Group's long-term success.

Compensation paid to the Company's executive directors thus consists of an annual variable component designed to incentivize them to help develop the Company's business and contribute to its performance within the confines of the corporate purpose and in keeping with the interests of its shareholders.

Furthermore, compensation allotted to members of the Board of Directors consists of a variable component that takes into account attendance at Board meetings, thus incentivizing directors to be more involved in

determining the Company's business strategy and ensuring that it is implemented, and participating in decisions that are helpful or beneficial to the Company.

▪ Determination, revision and implementation of compensation policy

The compensation policy applicable to corporate officers is established by the Board of Directors. It is determined not only on the basis of the level of responsibility assumed and results achieved but also in light of practices observed at similar companies and compensation paid to Group employees.

In establishing this policy, the Board of Directors is mindful of the recommendations laid down in the Middledent corporate governance code, which the Company applies.

As regards the members of the Board of Directors, the Board freely apportions among the directors the annual fixed amount allotted by the shareholders in respect of their duties, in accordance with rules established by the Board, taking into account not only the performance of their duties as directors but also their attendance at Board meetings.

As regards the executive directors (Chairman and CEO and Deputy CEOs), the Board of Directors determines their compensation in keeping with the following principles:

- Exhaustiveness: the method used to determine executive directors' compensation must be exhaustive.
- Balance between components of compensation: each component of compensation must be justified and aligned with the general interests of the Company.
- Benchmarking: compensation must as far as possible be assessed by reference to a benchmark business area and market and must be commensurate with the Company's position while taking into account any inflationary effects.
- Consistency: compensation paid to executive directors must be consistent with that paid to other executives and employees of the Company.
- Clarity of rules: rules must be simple and transparent; performance criteria used to establish variable compensation or, where applicable, to allot stock options or free shares, must be linked to the Company's performance, must correspond to its objectives, and must be demanding, explainable and, as far as possible, sustainable over the long term. They must be detailed, though without jeopardizing confidentiality where warranted.
- Measurement: compensation and awards of stock options and free shares must be determined in such a way as to strike a fair balance and reflect the general interests of the Company, market practice and executive performance.
- Transparency: the shareholders are notified annually of all compensation and benefits received by executives, in accordance with applicable regulations.

Furthermore, when establishing and revising performance criteria, consideration is given to past targets, the potential for the Group to expand, including geographically, and the degree of international competition.

Lastly, to avoid conflicts of interest, whenever the Board of Directors makes a decision about a component of compensation or a commitment in favor of its Chairman and CEO or any of its Deputy CEOs, the interested parties do not take part in either the debate or the corresponding vote(s).

▪ Variable compensation – assessment of performance criteria

Achievement of performance criteria shall be assessed on the basis of the consolidated annual financial statements, as signed off by the Board of Directors and audited by the statutory auditors, and information included in the Management Report.

▪ Newly appointed and reappointed corporate officers

When a corporate officer is newly appointed or reappointed, the components of his or her compensation shall be determined on the basis of those existing within the Company for a similar position, in proportion to actual hours worked over the fiscal year in question; the variable component shall also be determined on the basis of performance achieved against each of the criteria originally established by the Board of Directors for a similar position.

- Exemptions to compensation policy

Should the roles of Chairman of the Board of Directors and Chief Executive Officer be separated, the Board of Directors may diverge from the compensation policy applicable to the Chairman and Chief Executive Officer and separately determine the components of compensation applicable to each of the two distinct roles of Chairman of the Board of Directors and Chief Executive Officer. In such an eventuality, the Board of Directors shall submit a draft revised compensation policy for approval at the next shareholders' general meeting, including components of compensation specific to each of the two distinct roles of Chairman of the Board of Directors and Chief Executive Officer.

21.6.4.2 Items applicable to each corporate officer

- Members of the Board of Directors

Should a new director be appointed, those components of compensation laid down in the compensation policy applicable to members of the Board of Directors would also apply to that new director.

Compensation in respect of duties (excluding directors' fees):

The shareholders determine the fixed annual amount to be allotted to the directors in respect of their duties. The Board of Directors then freely apportions that amount among the directors in accordance with rules established by the Board; such apportionment must take into account not only the performance of their duties but also their attendance at Board meetings.

Compensation allotted to the directors in respect of their duties consists of a fixed component and a variable component; the variable component varies in proportion to attendance at Board meetings and may equate to up to 50% of the fixed component.

Should a director step down in the course of a fiscal year, the amount of compensation payable to that director in respect of that fiscal year shall be determined in proportion to actual hours worked during that year.

For variable compensation, the compensation policy allows neither for any deferral period nor for the option of clawing back variable compensation.

Exceptional compensation:

Exceptional compensation may be allotted to some directors when the Board of Directors entrusts them with specific temporary duties that fall outside the normal duties of a director. The amount of such exceptional compensation shall be determined by the Board of Directors.

Term of office and removal from office:

Directors serve for a term of six years.

To enable directors to be replaced or reappointed on a staggered basis, the shareholders may, at the proposal of the Board of Directors, vote at an ordinary general meeting to appoint or reappoint one or more directors for a period of four or five years.

However, where a director is appointed to replace another director, he or she shall only serve out his or her predecessor's remaining term of office.

There is no limit to the number of times a director may be re-elected. However, directors may not be over 80 years of age.

Directors' terms of office expire at the end of the ordinary general meeting held to approve the financial statements for the previous fiscal year, held in the year during which their term of office expires.

Directors may be removed from office at any time by vote of the shareholders at an ordinary general meeting.

- Chairman and Chief Executive Officer

The Board of Directors determines the Chairman and Chief Executive Officer's compensation. This compensation is over and above that allotted in respect of the Chairman and Chief Executive Officer's duties as a director.

Should a new Chairman and Chief Executive Officer be appointed, those components of compensation laid down in the compensation policy applicable to the Chairman and Chief Executive Officer would also apply to that new Chairman and Chief Executive Officer.

Fixed compensation:

The Chairman and Chief Executive Officer's compensation includes a component of gross annual fixed compensation.

Should the Chairman and Chief Executive Officer step down in the course of a fiscal year, the amount of fixed compensation payable to him or her in respect of that fiscal year shall be determined in proportion to actual hours worked during that year.

Variable compensation:

The Chairman and Chief Executive Officer's compensation also includes target annual variable compensation representing 20% of his or her fixed compensation, rising to a maximum of 40% of his or her fixed compensation if performance targets are exceeded.

The Chairman and Chief Executive Officer's annual variable compensation is based on a number of criteria including two financial and one non-financial criteria.

These criteria relate to the Group's consolidated turnover, the ratio of consolidated net income from ordinary activities to consolidated turnover and the total number of hours' training delivered to employees of the Group by accredited training organizations.

Quantitative criteria	% of variable	Target	Maximum
Growth in consolidated turnover	20%	5%	10%
Ratio of consolidated net income from ordinary activities to consolidated turnover	60%	3%	5%
Increase in total number of hours' training delivered to employees of the Group by accredited training organizations	20%	5%	10%

The performance criteria on which Deputy Executive Officers' variable compensation is based are designed to contribute to the Company's long-term viability and business strategy, within the confines of its corporate interests, as follows:

- Growth in consolidated turnover: growing the Company's market share and contributing to continued international expansion
- Growth in profitability: funding investment, including in research and development, thus contributing to the Company's long-term viability
- Increasing the number of hours' training delivered to employees of the Group: ensuring that the Group has a high-performing workforce able to adapt to changes in markets in which the Group operates (such as the digitalization of relationships and new techniques in marketing, search engine optimization and sales tracking) and technological advances in product design

Should the Chairman and Chief Executive Officer step down in the course of a fiscal year, the amount of variable compensation payable to him or her in respect of that fiscal year shall be determined in proportion to actual hours worked during that year and on the basis of performance achieved against each of the criteria originally established.

Similarly, should a new Chairman and Chief Executive Officer be appointed in the course of a fiscal year, the amount of variable compensation payable to him or her in respect of that fiscal year shall be determined in proportion to actual hours worked during that year and on the basis of performance achieved against each of the criteria originally established.

In any event, payment of annual variable compensation is conditional upon its approval by the shareholders as laid down in the first paragraph of section II of Article L.22-10-34 (*formerly section III of Article L.225-100*) of the French Commercial Code.

For variable compensation, the compensation policy allows neither for any deferral period nor for the option of clawing back variable compensation.

Other compensation:

The compensation policy does not provide for the following compensation mechanisms:

- Multi-year variable compensation
- Exceptional compensation
- Stock options
- Free share awards
- Compensation in the form of shares of stock, debt instruments or securities giving access to equity or entitling the holder to receive debt instruments
- Compensation, allowances or benefits that are or may become due by reason of or subsequent to the assumption or cessation of duties or a change in duties, or conditional rights granted in respect of pension liabilities and other lifetime benefits
- Benefits in kind

Term of office and removal from office:

The Board of Directors shall appoint one of its individual members as Chairman and shall determine the Chairman's term of office, which may not exceed his or her term of office as a director or the age limit laid down in the Articles of Incorporation.

The Chairman is eligible for reappointment. He or she may be removed from office by the Board of Directors at any time.

However, the Chief Executive Officer may not be over 70 years of age.

The Chief Executive Officer may be removed from office by the Board of Directors at any time.

▪ Deputy Chief Executive Officers

The Board of Directors determines compensation payable to each of the Deputy Chief Executive Officers. Where the Deputy Chief Executive Officers are also directors, this compensation is over and above that allotted in respect of their duties as directors.

Should one or more new Deputy Chief Executive Officers be appointed, those components of compensation laid down in the compensation policy applicable to the Deputy Chief Executive Officers would also apply to those new Deputy Chief Executive Officers.

Fixed compensation:

Compensation payable to each of the Deputy Chief Executive Officers includes a component of gross annual fixed compensation.

Should a Deputy Chief Executive Officer step down in the course of a fiscal year, the amount of fixed compensation payable to him or her in respect of that fiscal year shall be determined in proportion to actual hours worked during that year.

Variable compensation:

Compensation payable to each of the Deputy Chief Executive Officers also includes target annual variable compensation representing 20% of his or her fixed compensation, rising to a maximum of 40% of his or her fixed compensation if performance targets are exceeded.

Annual variable compensation payable to each of the Deputy Chief Executive Officers is based on a number of criteria including two financial criteria and one non-financial criterion.

These criteria relate to the Group's consolidated turnover, the ratio of consolidated net income from ordinary activities to consolidated turnover and the total number of hours' training delivered to employees of the Group by accredited training organizations.

Quantitative criteria	% of variable	Target	Maximum
Growth in consolidated turnover	20%	5%	10%
Ratio of consolidated net income from ordinary activities to consolidated turnover	60%	3%	5%
Increase in total number of hours' training delivered to employees of the Group by accredited training organizations	20%	5%	10%

The performance criteria on which Deputy Executive Officers' variable compensation is based are designed to contribute to the Company's long-term viability and business strategy, within the confines of its corporate interests, as follows:

- Growth in consolidated turnover: growing the Company's market share and contributing to continued international expansion
- Growth in profitability: funding investment, including in research and development, thus contributing to the Company's long-term viability
- Increasing the number of hours' training delivered to employees of the Group: ensuring that the Group has a high-performing workforce able to adapt to changes in markets in which the Group operates (such as the digitalization of relationships and new techniques in marketing, search engine optimization and sales tracking) and technological advances in product design

Should a Deputy Chief Executive Officer step down in the course of a fiscal year, the amount of variable compensation payable to him or her in respect of that fiscal year shall be determined in proportion to actual hours worked during that year and on the basis of performance achieved against each of the criteria originally established.

Similarly, should one or more new Deputy Chief Executive Officers be appointed in the course of a fiscal year, the amount of variable compensation payable to him or her in respect of that fiscal year shall be determined in proportion to actual hours worked during that year and on the basis of performance achieved against each of the criteria originally established.

In any event, payment of annual variable compensation is conditional upon its approval by the shareholders as laid down in the first paragraph of section II of Article L.22-10-34 (*formerly section III of Article L.225-100*) of the French Commercial Code.

For variable compensation, the compensation policy allows neither for any deferral period nor for the option of clawing back variable compensation.

Other compensation:

The compensation policy does not provide for the following compensation mechanisms:

- Multi-year variable compensation
- Exceptional compensation
- Stock options
- Free share awards
- Compensation in the form of shares of stock, debt instruments or securities giving access to equity or entitling the holder to receive debt instruments
- Compensation, allowances or benefits that are or may become due by reason of or subsequent to the assumption or cessation of duties or a change in duties, or conditional rights granted in respect of pension liabilities and other lifetime benefits
- Benefits in kind

Term of office and removal from office:

Where a Deputy Chief Executive Officer is a director, his or her term as Deputy Chief Executive Officer may not exceed his or her term as a director.

Where he or she is not a director, his or her term as a Deputy Chief Executive Officer shall expire at the date on which a new Chief Executive Officer is appointed.

Deputy Chief Executive Officers may not be over 70 years of age.

Deputy Chief Executive Officers may be removed from office by the Board of Directors at any time, at the proposal of the Chief Executive Officer.

21.7 Powers in force in respect of increases in the share capital

The following table summarizes authorities and powers in force in respect of increases in the share capital. These authorities and powers have been granted to the Board of Directors by the shareholders of Guillemot Corporation S.A. pursuant to Articles L.225-129-1 and L.225-129-2 of the French Commercial Code.

Date power granted	Purpose of power	Maximum amount ⁽¹⁾	Duration of power	Use during fiscal year ended Dec 31, 2021
May 27, 2021	1 - Power granted to the Board of Directors to issue ordinary shares, equity securities giving access to other equity securities or to the allotment of debt instruments, or securities giving access to equity securities yet to be issued, with pre-emptive subscription rights	Maximum nominal amount of increases in the share capital that may be undertaken: €8 million Maximum nominal amount of debt instruments giving access to equity securities that may be issued: €15 million	26 months, i.e. until Jul 26, 2023	None
May 27, 2021	2 - Power granted to the Board of Directors to issue ordinary shares, equity securities giving access to other equity securities or to the allotment of debt instruments, or securities giving access to equity securities yet to be issued, without pre-emptive subscription rights, through one or more public offerings other than those referred to in the first paragraph of Article L.411-2 of the French Monetary and Financial Code	Maximum nominal amount of increases in the share capital that may be undertaken: €8 million Maximum nominal amount of debt instruments giving access to equity securities that may be issued: €15 million	26 months, i.e. until Jul 26, 2023	None
May 27, 2021	3 - Power granted to the Board of Directors to issue ordinary shares, equity securities giving access to other equity securities or to the allotment of debt instruments, or securities giving access to equity securities yet to be issued, without pre-emptive subscription rights, through one or more offerings referred to in the first paragraph of Article L.411-2 of the French Monetary and Financial Code	Maximum nominal amount of increases in the share capital that may be undertaken: €8 million Maximum nominal amount of debt instruments giving access to equity securities that may be issued: €15 million	26 months, i.e. until Jul 26, 2023	None
May 27, 2021	4 - Authorization granted to the Board of Directors to establish, for up to a maximum of 10% of the share capital each year, the issue price of equity securities to be issued through one or more public offerings other than those referred to in the first paragraph of Article L.411-2 of the French Monetary and Financial Code or through one or more offerings referred to in the first paragraph of Article L.411-2 of the French Monetary and Financial Code	Up to 10% of the share capital each year	26 months, i.e. until Jul 26, 2023	None
May 27, 2021	5 - Authorization granted to the Board of Directors to increase the amount of any issues that might be agreed by the Board of Directors (under powers 1, 2 and 3 above) in the event that they are oversubscribed	In compliance with the provisions of Article R.225-118 of the French Commercial Code (i.e. up to 15% of the initial issue)	26 months, i.e. until Jul 26, 2023	None
May 27, 2021	6 - Power granted to the Board of Directors to increase the share capital as consideration for contributions in kind granted to the Company and consisting of equity securities or securities giving access to equity	Up to 10% of the Company's share capital	26 months, i.e. until Jul 26, 2023	None
May 27, 2021	7 - Power granted to the Board of Directors to carry out increases in the share capital reserved for the members of a Company or group savings plan	Up to 2% of the company's share capital	26 months, i.e. until Jul 26, 2023	None

Date power granted	Purpose of power	Maximum amount ⁽¹⁾	Duration of power	Use during fiscal year ended Dec 31, 2021
May 27, 2021	8 - Authorization granted to the Board of Directors to issue shares free of charge to employees and/or executive directors of the Company and/or affiliated companies	Maximum percentage of the share capital that may be allotted: 2%	38 months, i.e. until Jul 26, 2024	None
May 27, 2021	9 - Authorization granted to the Board of Directors to award stock options to employees and/or executive directors of the Company and/or affiliated companies	Up to a total nominal amount of €800,000	38 months, i.e. until Jul 26, 2024	At its meeting of December 3, 2021, the Board of Directors granted a total of 193,950 stock options representing a total nominal amount of €149,341.50.

(1) At the general meeting of May 27, 2021, the shareholders voted to limit any increases in the share capital that might be carried out under the powers and authorities set out in the above table to a maximum total nominal amount of €8 million.

21.8 Shareholder relations

To date, no major shareholder in the Company has expressed a desire to meet with the Chairman and Chief Executive Officer outside of a shareholders' general meeting; that being the case, the Chairman and Chief Executive Officer held no discussion sessions with major shareholders in 2021.

To the Company's knowledge, with the exception of members of the Guillemot family group, there are no other shareholders who directly or indirectly hold more than 5% of the Company's share capital or voting rights.

21.9 Shareholder participation in shareholders' general meetings

The terms under which shareholders may participate in shareholders' general meetings are set out in Article 14 of the Articles of Incorporation, excerpts from which are set out below:

"Shareholders' general meetings shall include all shareholders of Guillemot Corporation other than the Company itself. They shall be convened and held under the conditions laid down in applicable legislation and regulations."

"All shareholders shall have the right, upon proof of identity, to participate in shareholders' general meetings by attending them in person. Shareholders may also submit postal ballots or appoint proxies in accordance with arrangements laid down in applicable legislation and regulations."

The right to participate in shareholders' general meetings is subject to completion of the formalities laid down in applicable legislation and regulations."

The right to participate in shareholders' general meetings shall be evidenced by registering securities in the name of the shareholder or the intermediary registered on the shareholder's behalf pursuant to Article L.228-1 of the French Commercial Code, at midnight Paris time two business days prior to the meeting, either in registered securities accounts maintained by the Company or in the register of bearer securities maintained by an authorized intermediary. For bearer securities, registration of securities in the register of bearer securities maintained by the authorized intermediary shall be evidenced by a shareholding certificate issued by the latter. Any shareholder may vote remotely using a form that complies with the relevant legal requirements; such remote votes shall only be taken into account if they are received by the Company before the shareholders' general meeting within the deadline laid down in applicable legislation and regulations."

Remote votes using an electronic voting form and proxy votes using an electronic signature shall be cast in accordance with the conditions laid down in applicable legislation and regulations."

By decision of the Board of Directors, as published in the notice of meeting and/or the convening notice, shareholders may participate in shareholders' general meetings by means of videoconferencing and may vote using electronic means of telecommunication and/or remote transmission, including the internet, under the conditions laid down in applicable legislation and regulations."

A shareholder may be represented at a shareholders' general meeting by another shareholder, his/her spouse, his/her civil partner or any other natural or legal person of his/her choice (Articles L.225-106 and L.22-10-39 of the French Commercial Code).

21.10 Factors liable to have an impact on any public tender offer price **(Article L.22-10-11 of the French Commercial Code)**

21.10.1 Capital structure and direct and indirect holdings of the Company's capital

This information is set out in section 12.1 of the Management Report.

21.10.2 Voting rights exercised and transfers of shares

The Company's Articles of Incorporation place no restrictions on the exercise of voting rights attached to the Company's shares and the Company is not aware of any agreement entered into between shareholders placing restrictions on the exercise of voting rights attached to such shares.

The Company's Articles of Incorporation place no restrictions on transfers of shares of the Company and the Company is not aware of any agreement entered into between the shareholders placing restrictions on transfers of shares of the Company (with the exception, for Claude Guillemot, Michel Guillemot, Yves Guillemot, Christian Guillemot and the company Guillemot Brothers Ltd., of the collective undertaking to hold shares referred to in section 12.1.6 of the Management Report).

Furthermore, the Company is not aware of any agreements providing for the disposal or acquisition of shares at preferential terms.

21.10.3 Holders of shares with special control rights

There are no shares with special control rights.

21.10.4 Control mechanisms forming part of any employee share ownership scheme

Since the Company has no employee share ownership scheme, no such control mechanisms are currently in place.

21.10.5 Rules on appointing and replacing members of the Board of Directors

The Company's Articles of Incorporation include no specific rules on the appointment or replacement of members of the Board of Directors. Consequently, the rules that apply in this area are those laid down in legislation.

21.10.6 Rules on amending the Articles of Incorporation

The Company's Articles of Incorporation may only be amended by vote at an extraordinary general meeting. However, the shareholders may, in certain cases, delegate authority or powers to the Board of Directors in accordance with legislation and regulations.

21.10.7 Powers of the Board of Directors, particularly as regards the issuance or buyback of shares

Powers and authorities delegated to the Board of Directors in respect of increases in the share capital are set out in section 21.7 of the Management Report.

The Board of Directors was also authorized at the shareholders' general meeting of May 27, 2021 to undertake share buybacks.

The characteristics of the share buyback program, together with information on share buybacks undertaken during the fiscal year ended December 31, 2021, are set out in section 12.1.5.1 of the Management Report.

21.10.8 Agreements providing for compensation for members of the Board of Directors or employees

There are no agreements in place under which compensation might be payable to members of the Board of Directors or employees if they resign or are dismissed without just cause or if their employment is terminated as a result of a public offer for the Company's shares.

Rennes, March 23, 2022

The Board of Directors

➤ CONSOLIDATED FINANCIAL STATEMENTS TO DECEMBER 31, 2021

All figures are in thousands of euros (€k).

1. CONSOLIDATED BALANCE SHEET

ASSETS (€k)	Notes	Dec 31, 2021	Dec 31, 2020
Goodwill on acquisitions	5.7.1	0	0
Intangible assets	5.7.2	16,176	15,425
Property, plant and equipment	5.7.3	5,176	4,499
Financial assets	5.7.4	473	447
Tax assets	5.7.9	359	404
Deferred tax assets	5.7.15	5,312	3,489
Non-current assets		27,496	24,264
Inventories	5.7.5	40,925	20,611
Trade receivables	5.7.6	59,872	28,245
Other receivables	5.7.7	6,609	3,887
Financial assets	5.7.4	19,118	34,995
Current tax assets	5.7.9	157	142
Cash and cash equivalents	5.7.8	12,027	29,024
Current assets		138,708	116,904
Total assets		166,204	141,168
LIABILITIES AND EQUITY (€k)	Notes	Dec 31, 2021	Dec 31, 2020
Capital (1)		11,771	11,771
Premiums (1)		10,551	10,551
Reserves and consolidated income (2)		67,411	57,352
Currency translation adjustments		693	35
Group shareholders' equity	5.7.10	90,426	79,709
Minority interests		0	0
Consolidated shareholders' equity		90,426	79,709
Employee benefit liabilities	5.7.12	1,377	1,383
Borrowings	5.7.13	2,096	6,020
Other liabilities	5.7.14	0	0
Deferred tax liabilities	5.7.15	0	0
Non-current liabilities		3,473	7,403
Trade payables		38,068	31,007
Short-term borrowings	5.7.13	4,770	4,853
Taxes payable		2,725	3,470
Other liabilities	5.7.14	26,684	14,676
Provisions	5.7.11	58	50
Current liabilities		72,305	54,056
Total liabilities and equity		166,204	141,168

(1) Of the consolidating parent company.

(2) Of which net income for the period: €13,707k.

The notes to the financial statements set out in section 5 form an integral part of the consolidated financial statements.

2. STATEMENT OF NET INCOME AND GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY

- Consolidated statement of net income

(€k)	Notes	Dec 31, 2021	Dec 31, 2020
Net turnover	5.6	176,755	120,619
Purchases	5.8.1	-102,391	-59,656
External expenses	5.8.1	-31,372	-17,554
Employee expenses	5.8.1	-12,825	-11,000
Taxes and duties		-714	-779
Additions to amortization and depreciation	5.8.2	-4,453	-3,616
Additions to provisions	5.8.2	-2,226	-3,488
Change in inventories	5.8.3	21,782	1,849
Other income from ordinary activities	5.8.4	341	254
Other expenses from ordinary activities	5.8.4	-11,898	-7,659
Net income from ordinary activities		32,999	18,970
Other operating income	5.8.5	0	4,110
Other operating expenses	5.8.5	0	0
Net operating income		32,999	23,080
Income from cash and cash equivalents		12	8
Cost of gross financial debt		124	137
Cost of net financial debt	5.8.6	-112	-129
Other financial income	5.8.6	0	7,661
Other financial expenses	5.8.6	-16,293	-132
Corporate income tax	5.8.7	-2,887	-699
Net income before minority interests		13,707	29,781
O/w net income from discontinued operations	5.8.8	0	0
Attributable to minority interests		0	0
Net income attributable to equity holders of the parent		13,707	29,781
Basic earnings per share	5.8.9	0.90	1.95
Diluted earnings per share	5.8.9	0.89	1.95

- Statement of comprehensive income

(€k)	c 31, 2021	c 31, 2020
Net income attributable to equity holders of the parent	13,707	29,781
Recyclable items of other comprehensive income		
Currency translation adjustments	658	-545
Revaluation of hedging derivatives	0	0
Revaluation of available-for-sale financial assets	0	0
Non-recyclable items of other comprehensive income		
Revaluation of fixed assets	0	0
Actuarial gains and losses on defined benefit plans	90	-98
Share of other comprehensive income of equity-accounted associates	0	0
Total other comprehensive income attributable to controlling interests	748	-643
Net income and other comprehensive income attributable to controlling interests	14,455	29,138
Net income and other comprehensive income attributable to minority interests	0	0

The notes to the financial statements set out in section 5 form an integral part of the consolidated financial statements.

3. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€k)	Notes	Capital	Premiums	Consolidated reserves	Net income for the period	Currency translation adjustments	Total shareholders' equity
Position at Jan 1, 2020		11,771	10,551	33,854	-6,414	580	50,342
Comprehensive income to Dec 31, 2020	5.8				29,781	-545	29,236
Appropriated income at Dec 31, 2019				-6,414	6,414		0
Stock options	5.7.10						0
Shares of the consolidating company	5.7.10			-106			-106
Gains and losses on treasury shares	5.7.10			338			338
Dividends				0			0
Other	5.7.12			-101			-101
Position at Dec 31, 2020		11,771	10,551	27,571	29,781	35	79,709
Position at Jan 1, 2021		11,771	10,551	27,571	29,781	35	79,709
Comprehensive income to Dec 31, 2021	5.8				13,707	658	14,365
Appropriated income at Dec 31, 2020				29,781	-29,781		0
Stock options	5.7.10			50			50
Shares of the consolidating company	5.7.10			-182			-182
Gains and losses on treasury shares	5.7.10			217			217
Dividends				-3,818			-3,818
Other	5.7.12			85			85
Position at Dec 31, 2021		11,771	10,551	53,704	13,707	693	90,426

The notes to the financial statements set out in section 5 form an integral part of the consolidated financial statements.

4. CONSOLIDATED STATEMENT OF CASH FLOWS

The notes to the financial statements set out in section 5 form an integral part of the consolidated financial statements.

(€k)	Notes	31, 2021	31, 2020
Cash flows from operating activities			
Net income from consolidated companies		13,707	29,781
+ Additions to amortization, depreciation and provisions (except on current assets)	5.8.2	4,880	4,802
- Reversals of amortization, depreciation and provisions		-23	-4,130
-/+ Unrealized gains and losses arising from changes in fair value	5.8.6	15,877	-7,661
+/- Expenses and income arising from stock options	5.7.10	50	0
-/+ Capital gains and losses on disposals	5.7.4	-7	0
Change in deferred taxes	5.8.7	-1,828	-2,339
Operating cash flow after cost of net financial debt		32,656	20,453
Cost of net financial debt	5.8.6	112	129
Operating cash flow before cost of net financial debt		32,768	20,582
Currency translation adjustment on gross cash flow from operations		23	-34
Inventories	5.7.5	-20,314	779
Trade receivables	5.7.6	-31,627	-8,665
Trade payables		7,061	14,599
Other		8,205	4,852
Change in working capital		-36,675	11,565
Net cash flows from operating activities		-3,996	31,984
Cash flows from investing activities			
Acquisitions of intangible assets	5.7.2	-3,324	-2,322
Acquisitions of property, plant and equipment	5.7.3	-2,115	-1,226
Disposals of property, plant and equipment and intangible assets	5.7.3	8	23
Acquisitions of non-current financial assets	5.7.4	-8	-3
Disposals of non-current financial assets	5.7.4	21	52
Net cash from acquisitions and disposals of subsidiaries		0	0
Net cash flows from investing activities		-5,418	-3,476
Cash flows from financing activities			
Increases in capital and cash injections	5.7.10	0	0
Dividends paid		-3,818	0
Borrowings	5.7.13	1,328	359
Repayment of shareholders' current accounts	5.7.14	0	0
Repayment of borrowings	5.7.13	-5,120	-3,979
Principal repayments and interest on lease liabilities (IFRS 16)		-222	-174
Other cash flows from financing activities		0	0
Total cash flows from financing activities		-7,832	-3,794
Impact of foreign currency translation adjustments		239	-178
Change in cash		-17,007	24,536
Net cash at the beginning of the period	5.7.8 and 5.7.13	29,013	4,477
Net cash at the end of the period	5.7.8 and 5.7.13	12,006	29,013

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5.1 General information

The financial statements were signed off by the Board of Directors on March 23, 2022.

Guillemot Corporation designs and manufactures interactive entertainment hardware and accessories. The Group offers a diversified range of products under the Hercules and Thrustmaster brands. Active in this market since 1984, the Guillemot Corporation Group currently operates in ten countries – France, Germany, Spain, the United Kingdom, the United States, Canada, Italy, Belgium, Romania and China (Shanghai, Shenzhen and Hong Kong) – and distributes its products in more than 140 countries. The Group's mission is to offer high-performance, user-friendly products that maximize enjoyment for end users of digital interactive entertainment solutions.

The Company is a publicly traded company (*société anonyme*) having its headquarters at Place du Granier, BP 97143, 35571 Chantepie Cedex, France.

5.2 Significant events in fiscal year 2021

The Group's turnover increased 47% in full year 2021, to €176.8 million. Growth in the fourth quarter was particularly strong at 65%.

Growth was balanced across all regions, with sales up 41% in North America, 53% in the European Union and the United Kingdom and 38% in the rest of the world.

The Group generated net income from ordinary activities of €33.0 million and consolidated net income of €13.7 million after taking into account an unrealized financial loss of €15.9 million on the Group's portfolio of Ubisoft shares.

The Group's business performance is shaped by a range of factors in a complex economic, logistical and public health environment.

The Group worked hard to:

- maintain a good level of production throughout the year despite pressure on components and ensure that the supply chain continued to run smoothly;
- Maximize sales of standard product ranges and successfully launch and establish key new Thrustmaster and Hercules products (particularly the *T248* racing wheel, the *TCA Yoke Pack Boeing Edition* and the *DJControl Mix*), resulting in significantly higher consumer sales in the run-up to the year-end;
- ship volume direct to major customers, in particular leading global e-tailers, thus better anticipating consumer demand;
- respond to rising logistics costs from the summer onward by making moderate price adjustments without adversely affecting competitiveness.

Thrustmaster

- **Flying/joysticks**: 2021 was a particularly innovative year for flying accessories. Thrustmaster teamed up with Boeing to design new *Thrustmaster Civil Aviation* peripherals. Following an initial collaboration with the well-known American manufacturer, Thrustmaster injected fresh momentum into this prestigious partnership by developing three new products for Xbox® and PC: the *TCA Yoke Pack Boeing Edition*, the *TCA Quadrant Boeing Edition* and the *TCA Yoke Boeing Edition*.
- **Racing wheels**: Thrustmaster supported its official drivers in more eSports competitions over the period while continuing to sponsor its partners' global events. The success of the T248 racing wheel for PlayStation®5, launched in partnership with a number of game developers, generated unprecedented sales momentum. The Xbox One version of the T248 will be launched this spring.
- **Gamepads**: the gamepad range performed very well in the United States, where it occupies a unique high-end position. Increasingly recognized by ranked players, the range will be expanded in 2022 to maximize its potential.

Hercules

Hercules also enjoyed very strong momentum despite some pressure on deliveries to the US and European markets. In mid-November, Hercules unveiled its *DJControl Mix* controller for smartphones, in association with Algoriddim djay, one of the world's most popular DJ apps.

This ultra-compact turntable is easy to take anywhere, making it ideal for DJs wanting to unleash their creativity at impromptu parties.

In January, Hercules announced the limited edition *DJControl Inpulse 500 White Edition*. Always keen to stand out from the crowd and build closer ties with its community, Hercules is now offering this new premium bundle in a white edition.

Impact of Covid-19

With lockdowns and stay-at-home measures heightening interest in video games and demand for specialized accessories, the public health situation had little impact on the Group.

However, 2021 was marked by supply chain pressures and shortages of electronic components and raw materials.

5.3 Accounting standards

In accordance with Regulation (EC) 1606/2002 of July 19, 2002, the Guillemot Corporation Group hereby presents its consolidated financial statements for fiscal year 2021 in compliance with IFRS as adopted in the European Union.

The financial statements have been prepared using the historical cost valuation model, with the exception of items measured at fair value (mainly financial assets at fair value through profit or loss).

These international accounting standards include IFRS (International Financial Reporting Standards), IAS (International Accounting Standards) and their interpretations.

5.4 Key accounting policies

5.4.1 New IFRS and interpretations

Application of the following IFRS texts is mandatory for fiscal years beginning on or after January 1, 2021:

Standard, interpretation or amendment		Date of entry into force	Effects
IFRS 4 Amendment	Insurance contracts – deferral of IFRS 9	January 1, 2021	None
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Amendment	Interest rate benchmark reform – Phase 2	January 1, 2021	None
IFRS 16 Amendment	(i) Covid-19-related rent concessions (ii) Covid-19-related rent concessions beyond June 30, 2021	January 1, 2021	None
Interpretation Committee decisions		Date of entry into force	Effects
IAS 38	Configuration or customization costs in a cloud computing arrangement (IAS 38, “Intangible assets”)	January 1, 2021	None
IAS 19	Attributing benefit to periods of service (IAS 19, “Employee benefits”)	January 1, 2021	No material effect

For fiscal year 2021, the Group did not opt to adopt any standard, interpretation or amendment early.

5.4.2 Consolidation principles

Companies directly or indirectly controlled by the Guillemot Corporation Group within the meaning of IFRS 10 are fully consolidated. IFRS 10 states that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

All consolidated companies prepare their individual financial statements as at December 31.

Subsidiaries' accounting policies are aligned with those used by the Group. The Guillemot Corporation Group exercises neither joint control nor significant influence over its other investees. The results of consolidated companies are consolidated with effect from the date on which a controlling interest was acquired or the date on which the company in question was formed. Intragroup transactions are eliminated for all Group companies in accordance with the applicable consolidation rules. All significant transactions between consolidated companies, as well as unrealized internal gains and losses included in the non-current assets and inventories of non-consolidated companies, are eliminated.

5.4.3 Intangible assets

Brands

Brands acquired by the Group are considered as having an indefinite life and are therefore not amortized. Their useful life is reassessed annually and they are tested for impairment at the level of the cash-generating unit to which they belong. Brands are also tested for impairment whenever there is an indicator of impairment. In the absence of a deep market for brands in the Group's industry sector, the fair value method is not used when measuring brands owned by the Group. They are instead measured using the value-in-use method, which measures the present value of future cash flows expected from an asset.

Goodwill

Whenever the Group acquires a controlling interest in a new company, the assets, liabilities and contingent liabilities of the acquired subsidiary are recognized in the consolidated balance sheet at their fair value at the date of acquisition. The positive difference between the cost of acquiring the interest and the Group's acquired share of the net fair value of identifiable net assets is recognized under "Goodwill on acquisitions". Subsequent to initial recognition, goodwill on acquisitions is measured at cost less accumulated impairment. Goodwill on acquisitions is tested for impairment annually. Impairment losses cannot be reversed. For the purposes of impairment testing, goodwill on acquisitions is allocated to each of the Group's cash-generating units that is likely to benefit from the associated synergies.

Assets acquired by the Group recognized as goodwill, and in particular intangibles (customers, market share, expertise, etc.) that enable the Company to conduct its business and pursue its development, but which do not meet the required identification criteria to be able to be shown separately in the balance sheet, are also treated as goodwill on acquisitions.

Research and development costs

Research costs are expensed as incurred.

Development costs are capitalized whenever the relevant conditions are met:

- The technical feasibility of completing the intangible asset before it can be used or sold is established.
- The Company intends to complete the intangible asset and use or sell it.
- The Company is able to use or sell the intangible asset.
- The asset is likely to generate future economic benefits.
- Technical, financial and other resources required to complete the project are or will be available.
- Expenses related to the asset can be reliably measured during the development phase.

Development costs are amortized over the useful life of the asset in question, with the proviso that the amortization period may not in any event exceed five years.

Office software applications

Office software applications are amortized over their real useful life, which is generally between three and five years.

Licenses

Licenses relate to distribution and reproduction rights acquired from third parties.

License agreements may give rise to the payment of guaranteed amounts. Such amounts are recognized in the "Licenses" item under intangible assets provided they fall within the definition of an asset (identifiable, controlled and promising future economic benefits) and are amortized on a straight-line basis in line with the duration of the corresponding agreement.

5.4.4 Property, plant and equipment

Property, plant and equipment is shown in the balance sheet at its acquisition cost or transfer value.

Depreciation is calculated by applying uniform rates across the Group determined on the basis of each asset's expected useful life with reference to the following methods and utilization periods:

Buildings:	20 years (straight line)
Fixtures and fittings:	10 years (straight line)
Plant:	Between 1 and 10 years (straight line)
Transportation equipment:	4 or 5 years (straight line)
Office and IT equipment:	Between 3 and 5 years (straight line)
Furniture:	5 to 10 years (straight line)

Residual values and useful lives are reviewed at each balance sheet date and adjusted where applicable. Subsequent costs are included in an asset's carrying amount or, where applicable, recognized as a separate asset if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

5.4.5 Impairment of non-financial assets

Assets with an indefinite useful life are not amortized or depreciated and are tested for impairment annually. Amortized or depreciated assets are tested for impairment when, as a result of specific events or circumstances that constitute an indicator of impairment, the recoverability of their carrying amount is called into question. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of its fair value less disposal costs and its value in use.

Fair value is the value that could be obtained by selling an asset in an arm's length transaction between informed and consenting parties, less costs to sell. Value in use is the present value of future cash flows expected from an asset – i.e. from its continuing use and removal at the end of its useful life.

For the purposes of assessing impairment, assets are combined into cash-generating units, which represent the smallest identifiable group of assets whose continuing use generates cash inflows largely independent of those generated by other assets or groups of assets. Non-financial assets (other than goodwill) that have been impaired are reviewed at each annual or interim balance sheet date to determine whether the impairment may be reversed.

Brands and goodwill held in France are allocated to the Hercules and Thrustmaster cash-generating units, which constitute the segments used to report segment information by business area.

5.4.6 Leases

IFRS 16 (Leases) entered into force on January 1, 2019.

For lessees, IFRS 16 does away with the traditional distinction between operating leases and finance leases. Under IFRS 16, (almost) all leases are recognized in the lessee's balance sheet, including both an asset (representing the right to use the leased asset throughout the lease term) and a liability (in respect of the lease payment obligation).

As a result of this change, most leases must now be stated in the balance sheet, together with a corresponding increase in liabilities.

5.4.7 Financial assets

Classification of financial instruments

For financial assets other than derivatives, the Group has adopted the classification set out below. This classification depends on the characteristics of contractual cash flows (i.e. whether those cash flows represent interest or repayment of capital) and the accounting treatment selected on initial recognition:

- Financial assets at fair value through other comprehensive income (OCI).
- Financial assets at fair value through profit or loss: these mainly consist of listed and unlisted investments in equity instruments not held for trading, where management has not opted to class them as financial assets at fair value through other comprehensive income on initial recognition, as well as instruments not meeting the definition of equity instruments. Gains and losses resulting from changes in fair value are recognized directly in income under financial income or expenses. The fair value of financial assets is the last daily price in the closing month for listed securities, and the probable trading value for unlisted securities. Where an asset's balance sheet value is lower than its purchase cost and there is an objective indicator of impairment, an impairment loss is recognized.
- Financial assets at amortized cost: instruments whose contractual cash flows represent interest and capital repayments, held for the purposes of collecting cash flows. These mainly consist of loans and receivables.

Impairment of financial assets at amortized cost

Trade receivables are initially recognized for the amount billed to customers. Impairment losses on trade receivables are estimated using the expected loss method to take into account any payment defaults throughout the period over which the receivables are held. Expected total impairment on all receivables is estimated at each reporting date based on the average expected loss ratio, which is calculated on the basis, *inter alia*, of historical loan loss ratios. This average expected loss ratio may, however, be adjusted if there are indicators of a probable significant deterioration in credit risk. Individual receivables are impaired as soon as there is a known credit risk. The amount of the expected loss is recognized in the balance sheet as a deduction against the total amount of trade receivables. Although some trade receivables are past due, a breakdown of historical data at December 31, 2021 and December 31, 2020 shows that the losses incurred are negligible.

To limit the Group's foreign exchange risk, Guillemot Corporation may hedge against currency fluctuations by buying currency futures and options. Since such transactions do not meet the criteria for hedge accounting, they are recognized as trading instruments. These derivatives are recognized in the balance sheet under current financial assets or liabilities at their fair value at the transaction date. Any gain or loss resulting from remeasurement at fair value is recognized immediately in net financial income.

IFRS 13, "Fair value measurement", applies to IFRS that require or allow measurement at fair value or disclosures about fair value measurements. As well as providing a framework for fair value measurement, it sets out the information that should be disclosed concerning fair value measurements. The standard defines fair value based on the exit price and uses a fair value hierarchy, giving rise to market-based measurements rather than entity-specific measurements.

The hierarchy categorizes inputs used to measure fair value into three levels. At the highest level are unadjusted quoted prices in active markets for identical assets or liabilities; at the lowest level are unobservable inputs.

If the inputs used to determine fair value fall into different levels of the fair value hierarchy, the overall fair value is categorized at the same level as the lowest-level input that is significant to the fair value measurement in its entirety (using judgment).

5.4.8 Current tax assets

Current and non-current income tax assets are shown separately in the balance sheet.

5.4.9 Inventories and work in progress

Inventories and work in progress for all Group companies are measured on the basis of cost to supply, after eliminating internal margins. They are measured using the first in, first out (FIFO) method.

The initial cost includes the price of components, assembly costs, transportation costs, depreciation of equipment and capitalized R&D costs.

Borrowing costs are always excluded from inventory valuations. An impairment loss is recognized whenever the value of inventory is greater than its probable realizable value less costs to sell. Impairment testing is carried out annually and probable realizable value is calculated on the basis of observed and expected sales performance and market prices. The Group uses a number of indicators to analyze products that might potentially be at risk: rotation rates, sales, inventory levels, gross profit margin, open orders, the business outlook, return requests, market share, competitor products, etc. Products are mainly analyzed individually so as to identify the risk of impairment as accurately as possible.

5.4.10 Advances and progress payments

This item, recognized in other receivables, consists of progress payments paid to suppliers.

5.4.11 Trade receivables

Trade receivables are initially measured at their transaction price, in accordance with IFRS 15. Impairment losses are recognized where applicable based on the expected recoverability of receivables at the balance sheet date. An impairment loss is recognized whenever there is an objective indicator that the Group will be unable to recover the full amount due under the terms initially foreseen at the time of the transaction. Indicators of impairment include significant financial difficulties experienced by the debtor, the likelihood of the debtor's collapse or financial restructuring, and payment default. Furthermore, implementation of IFRS 9 may result in expected credit losses being recognized against receivables from the point at which those receivables are recognized.

Given its small number of customers and near-systematic use of credit insurance, the Group does not use a provisions matrix but rather carries out case-by-case analyses.

5.4.12 Other receivables

Other receivables mainly consist of VAT receivables.

5.4.13 Deferred taxes

Deferred taxes, which reflect timing differences between the carrying amounts of assets and liabilities after consolidation adjustments and their tax bases, are recognized using the liability method. Deferred taxes are recognized in the income statement and the balance sheet to reflect current deficits as soon as it becomes likely that they will be applied to future taxable profits within reasonable recovery timescales. Under the liability method, the effect of any changes in the taxation rate on previously recognized deferred taxes is recognized in the year in which those changes become apparent, either in the income statement or in other comprehensive income, using the same method initially used to recognize the corresponding deferred taxes. Deferred tax assets are recognized up to the amount of deferred tax liabilities, taking into account tax rules in force relating, in particular, to limits on the use of tax loss carryforwards. They are offset if the taxable entity has a legally enforceable right to offset current tax assets and liabilities and those deferred tax assets and liabilities relate to income taxes levied by the same tax authority.

Deferred taxes are measured using the taxation rate expected to apply over the period during which the asset is realized or the liability is settled, based on taxation rates and tax laws enacted or substantively enacted at the balance sheet date.

5.4.14 Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand and certificates of deposit (highly liquid investments with maturities of less than three months, which carry no material risk of impairment).

5.4.15 Foreign currency transactions and translation adjustments

The reporting currency is the euro. Transactions in foreign currency are translated into euros using the exchange rate prevailing at the transaction date or, where applicable, the relevant hedging rate. Unhedged foreign currency assets and liabilities are translated into euros at the closing exchange rate. Translation gains and losses are incorporated into consolidated net income in the period to which they relate.

All Group subsidiaries conduct business in their local currency. Foreign currency financial statements of foreign subsidiaries not located in high-inflation regions are translated into euros using the closing rate method, with translation adjustments matched to other items of comprehensive income.

5.4.16 Other liabilities

Other liabilities consist of social security payables, shareholders' current accounts, prepaid income and sundry payables, including customer-related payables (liabilities relating to returned goods and rebates and discounts).

5.4.17 Provisions for liabilities and charges

A provision is recognized whenever the Company has a present obligation (whether legal or implied) resulting from a past event, it is probable that an outflow of resources will be necessary to settle the obligation, and the amount of the obligation can be reliably estimated.

This item includes, in particular, provisions for liabilities related to commercial disputes.

5.4.18 Employee benefits

Upon retirement, employees of the Group must receive an allowance calculated in accordance with the provisions of the applicable collective bargaining agreement. The Group operates a defined benefit post-employment benefits scheme.

The Group has no post-employment benefit schemes other than the statutory scheme laid down in collective bargaining agreements covering its employees.

A provision corresponding to the present value of the obligation is recognized in the balance sheet under provisions for retirement benefits.

Pension liabilities and provisions for retirement benefits are measured annually by estimating the future benefit payable to employees upon retirement.

This measurement depends on employees' length of service, compensation on retirement and likelihood of still being with the Company at that date. The benefit is then spread across fiscal years in proportion to the employee's length of service.

If an employee leaves the Company earlier, the amount of the provision is reduced accordingly.

In accordance with IAS 19 (revised), actuarial gains and losses are recognized in other comprehensive income rather than in profit and loss.

IFRIC's May 2021 decision on the "Attributing benefit to periods of service" part of IAS 19 concerns lump sum retirement allowances. The decision makes such allowances conditional upon the employee's length of service, sets a cap on the maximum amount payable and requires the employee to be employed by the entity upon reaching retirement age. Where the regime provides for payment of an allowance to the employee, assuming he or she is employed at retirement date, with the amount dependent on length of service and capped at a given number of years, the IRS IC considered that the liability should accrue only over the years of service preceding the retirement date in respect of which the employee builds up an entitlement to the benefit.

In France, provisions for paid leave correspond to one-tenth of salary payments received by the employee and may not be less than the salary the employee would have received had he or she been working.

5.4.19 Share-based payments

The Group has put in place compensation plans that pay out in the form of equity instruments (stock options). The fair value of services rendered by employees in return for the granting of options is recognized in expenses. The total amount expensed over the vesting period is determined by reference to the fair value of the options granted, without taking into account the vesting conditions, which are not market conditions. The vesting conditions, which are not market conditions, are factored into assumptions relating to the number of options that may become available for exercise. At each balance sheet date, the Company reassesses the number of options that may become available for exercise. If necessary, the impact of any revision of such estimates is recognized in income, with a corresponding adjustment to shareholders' equity.

5.4.20 Segment information

The operating segments presented are the same as those used in internal reports presented to management. Segment information by business area covers the Hercules and Thrustmaster business segments. Segment information by geographical region is based on the following geographical segments: European Union and United Kingdom, North America, and Other.

5.4.21 Recognition of income

In accordance with IFRS 15, the Group recognizes revenue in keeping with the following five steps:

Step 1: identify the contract.

Step 2: identify the performance obligations in the contract. Performance obligations serve as a unit of account for recognizing revenue.

Step 3: determine the transaction price and, in particular, any variable consideration and rights of return.

Step 4: allocate the contract price to each performance obligation.

Step 5: recognize revenue when a performance obligation is satisfied. In the case of the Guillemot Corporation Group, customers gain control of assets on delivery of products, in accordance with the incoterms agreed between the parties.

All products sold by the Group are covered by a statutory two-year warranty against defects. In some cases, the warranty obligation is transferred to the customer in exchange for a discounted purchase price. In other cases, the warranty obligation is recognized taking into account a best estimate of costs arising from probable returns (with revenue capped at the highly probable value of products not returned, and a liability recognized in respect of the obligation to issue a credit note and an asset corresponding to an adjustment to the cost of sales representing the right to recover goods – cancelling out either just the profit margin or, if a returned product is unsaleable, the full amount of revenue). This estimate is based on analysis undertaken by the Group taking into account, in particular, the level of sales, the average time taken to return defective products and management judgment.

Furthermore, under its terms and conditions of sale, the Group does not agree to take back unsold goods. In practice, where such agreement is given, the associated cost is deducted from turnover based on actual product returns agreed. In cases where management expects additional product returns arising from past sales, the obligation to take back returned products is now also recognized against revenue.

5.4.22 Government grants

Grants in the fiscal year are shown in the income statement as deductions against the expenses to which they relate. Any receivables against the government agency that issued the grant are shown in other receivables.

5.4.23 Borrowings

Borrowings are initially recognized in the balance sheet at fair value. They are subsequently measured at amortized cost using the effective interest method. Borrowing costs are expensed as incurred.

5.4.24 Earnings per share

The Group calculates basic earnings per share and diluted earnings per share based on consolidated net income.

Basic earnings per share is calculated by dividing net income by the weighted average number of shares outstanding in the period, after deducting shares held by the Group.

Diluted earnings per share is calculated by taking into account the conversion of all existing dilutive instruments when calculating the weighted average number of shares outstanding.

5.4.25 Uncertainty over valuations

In preparing the financial statements in accordance with IFRS, the Group must make certain critical accounting estimates. Management is also required to exercise judgment when applying the Group's accounting policies. Those areas involving the greatest degree of judgment or complexity, and those relaying on assumptions and estimates that are material relative to the consolidated financial statements, are described in the notes to the financial statements and primarily relate to the recoverable amount of intangible assets and inventories, discounts on sales, and deferred tax assets relating to tax loss carryforwards).

5.5 Scope of consolidation

5.5.1 Companies included in the Guillemot Corporation Group's consolidated financial statements

COMPANY	SIREN number	Country	% control/interest	Accounting method
Guillemot Corporation S.A.	414,196,758	France	Parent company	Fully consolidated
Guillemot Administration et Logistique SARL	414,215,780	France	99.96%	Fully consolidated
Hercules Thrustmaster SAS	399,595,644	France	99.42%	Fully consolidated
Guillemot Innovation Labs SAS	752,485,334	France	100.00%	Fully consolidated
Guillemot Ltd.		United Kingdom	99.99%	Fully consolidated
Guillemot Inc.		Canada	74.89% (a)	Fully consolidated
Guillemot GmbH		Germany	99.75%	Fully consolidated
Guillemot Corporation (HK) Ltd.		Hong Kong	99.50%	Fully consolidated
Guillemot Recherche et Développement Inc.		Canada	99.99%	Fully consolidated
Guillemot Romania Srl		Romania	100.00%	Fully consolidated
Guillemot Inc.		United States	99.99%	Fully consolidated
Guillemot S.A.		Belgium	99.93%	Fully consolidated
Guillemot Srl		Italy	100.00%	Fully consolidated
Guillemot Electronic Technology (Shanghai) Co. Ltd.		China	100.00%	Fully consolidated
Guillemot Spain SL		Spain	100.00%	Fully consolidated

(a) Guillemot Inc. (United States) also holds 25.11%.

In view of their non-material nature, minority interests are not calculated.

5.5.2 Changes in scope

None.

5.6 Segment information

In accordance with IFRS 8 on operating segments, the Group sets out segment information based on the same segments as those used in internal reports presented to management.

Segment information by business area covers the Hercules and Thrustmaster business segments. Segment information by geographical region is based on the following geographical segments: European Union and United Kingdom, North America, and Other.

5.6.1 Segment information by business area

The Hercules business segment includes the following product ranges: DJ controllers, DJ speakers, DJ headphones and DJ software.

The Thrustmaster business segment includes the following gaming accessories for PCs and consoles: racing wheels, gamepads, joysticks and gaming headsets.

- Turnover by business segment (€m)

	Dec 31, 2021	Dec 31, 2020
Hercules	9.0	8.0
Digital devices	8.1	7.2
OEM*	0.9	0.8
Thrustmaster	167.8	112.6
Gaming accessories	167.8	112.6
OEM*	0.0	0.0
TOTAL	176.8	120.6

* Accessories developed for third party companies (Original Equipment Manufacturers).

- Income statement by business segment (€k)

	Dec 31, 2021			Dec 31, 2020		
	Total	Hercules	Thrustmaster	Total	Hercules	Thrustmaster
Turnover	176,755	8,950	167,805	120,619	8,021	112,598
Additions to amortization and deprec	4,453	814	3,639	3,616	935	2,681
Additions to provisions	2,226	161	2,065	3,488	293	3,195
Net income from ordinary activities	32,999	0	32,999	18,970	-153	19,123
Net operating income	32,999	0	32,999	23,080	-153	23,233

- Balance sheet by business segment (€k)

	Dec 31, 2021			Dec 31, 2020		
	Total	Hercules	Thrustmaster	Total	Hercules	Thrustmaster
Goodwill on acquisitions	0	-	-	-	-	-
Intangible assets	16,176	1,195	14,981	15,425	1,099	14,326
Property, plant and equipment	5,176	1,476	3,700	4,499	1,651	2,848
Inventories	40,925	3,963	36,962	20,611	1,430	19,181
Trade receivables	59,872	2,994	56,878	28,245	1,977	26,268
Unallocated assets	44,055	-	-	72,388	-	-
TOTAL ASSETS	166,204	9,628	112,521	141,168	6,157	62,623
Shareholders' equity	90,426	-	-	79,709	-	-
Provisions	1,436	718	718	1,433	717	717
Trade payables	38,068	3,614	34,454	31,007	2,067	28,940
Unallocated liabilities	36,274	-	-	29,019	-	-
TOTAL LIABILITIES AND EQUITY	166,204	4,332	35,172	141,168	2,784	29,657

Unallocated assets consist of financial assets, income tax assets, other receivables, cash and deferred tax assets.

Unallocated liabilities consist of borrowings, other liabilities, taxes payable and deferred tax liabilities.

5.6.2 Segment information by geographical region

- Turnover by geographical region (€m):

Turnover generated by:	Dec 31, 2021	Dec 31, 2020	Change
European Union and United Kingdom	93.6	61.1	53%
North America	49.9	35.4	41%
Other	33.3	24.1	38%
TOTAL	176.8	120.6	47%

Turnover from French customers totaled €15.7 million in 2021, equating to 9% of consolidated total turnover. German customers accounted for 15% of consolidated turnover in 2021.

- Aggregate value of assets by geographical location (€k):

	Dec 31, 2021				Dec 31, 2020			
	Total	EU & UK	North America	Other	Total	EU & UK	North America	Other
Goodwill on acquisitions	0	-	-	-	0	-	-	-
Property, plant and equipment	5,176	5,025	112	39	4,499	4,444	45	10
Financial assets	19,591	19,522	24	45	35,442	35,385	22	35
Deferred tax assets	5,312	5,311	-	1	3,489	3,489	-	-
Inventories	40,925	8,807	3,309	28,809	20,611	4,016	1,889	14,706
Trade receivables	59,872	31,031	17,432	11,409	28,245	15,329	7,310	5,606
Other receivables	6,609	6,333	185	91	3,887	3,764	60	63
Cash and cash equivalents	12,027	9,848	1,163	1,016	29,024	26,644	932	1,448
Tax assets	516	378	138	-	545	408	137	-
Unallocated assets	16,176	-	-	-	15,426	-	-	-
TOTAL ASSETS	166,204	86,255	22,363	41,410	141,168	93,479	10,395	21,868

Unallocated assets consist of intangible assets.

The Group's inventories are mainly located in Asia (€28,808k under "Other" in the above table).

5.7 Notes to the balance sheet

5.7.1 Goodwill on acquisitions

Goodwill at December 31, 2021 is broken down as follows:

Changes in goodwill	Gross at Dec 31, 2020	Change	Gross at Dec 31, 2021
Guillemot Ltd. (United Kingdom)	1	-	1
Hercules Thrustmaster SAS (France)	1,299	-	1,299
Guillemot Administration et Logistique SARL (France)	233	-	233
Guillemot S.A. (Belgium)	233	-	233
Guillemot Inc. (United States)	1,034	-	1,034
Guillemot Corporation S.A. (France)	941	-	941
Guillemot Inc. (Canada)	16,894	-	16,894
Guillemot Srl (Italy)	4,392	-	4,392
Total	25,027	0	25,027

Goodwill impairment	Impairment at Dec 31, 2020	Additional impairment from Jan 1, 2021 to Dec 31, 2021	Impairment at Dec 31, 2021
Guillemot Ltd. (United Kingdom)	1	-	1
Hercules Thrustmaster SAS (France)	1,299	-	1,299
Guillemot Administration et Logistique SARL (France)	233	-	233
Guillemot S.A. (Belgium)	233	-	233
Guillemot Inc. (United States)	1,034	-	1,034
Guillemot Corporation S.A. (France)	941	-	941
Guillemot Inc. (Canada)	16,894	-	16,894
Guillemot Srl (Italy)	4,392	-	4,392
Total	25,027	0	25,027

5.7.2 Intangible assets

Intangible assets are broken down as follows:

Gross amounts	Dec 31, 2020	Changes in scope	Increases	Decreases	Currency translation adjustments	Dec 31, 2021
Brands	10,842					10,842
Development costs	9,260		2,699	1,220	-3	10,736
Development costs in progress	2,074		3,150	2,817	-16	2,391
Licenses	3,146		770	17		3,899
Concessions, patents, etc.	1,048		211		19	1,278
Other intangible assets	1,130		163	200	32	1,125
TOTAL	27,500	0	6,993	4,254	32	30,271

Amortization, depreciation and provisions	Dec 31, 2020	Changes in scope	Increases	Decreases	Currency translation adjustments	Dec 31, 2021
Brands	1,000					1,000
Development costs	7,117		1,777	1,185		7,709
Licenses	2,005		1,331	17		3,319
Concessions, patents, etc.	1,001		55	1	19	1,074
Other intangible assets	952		9		32	993
TOTAL	12,075	0	3,172	1,203	51	14,095

Net amounts	Dec 31, 2020	Dec 31, 2021
Brands	9,842	9,842
Development costs	2,143	3,027
Development costs in progress	2,198	2,391
Licenses	1,141	580
Concessions, patents, etc.	47	204
Other intangible assets	54	132
TOTAL	15,425	16,176

Brands

Brands include the Thrustmaster and Hercules acquired brands. These brands are tested for impairment at each balance sheet date and are measured taking into account discounted future cash flows.

In the absence of a deep market for these brands, the fair value method is not used when measuring brands owned by the Group.

Value in use is the present value of future cash flows expected from an asset.

- **Hercules:**

The Hercules brand is allocated to the Hercules cash-generating unit (CGU).

Following impairment testing of the Hercules CGU, the value of the Hercules brand was unchanged at December 31, 2021.

The Hercules brand has a net balance sheet value of €432k, compared with a purchase cost of €1,432k.

In accordance with IAS 36, projections are over five years with a terminal value.

The following assumptions are used to test the Hercules CGU for impairment:

- Ratio of net operating income to turnover: balanced in 2022, then around 5% positive for the following four years
- Working capital increasing steadily over five years
- Five-year turnover projections taking into account forecast new product launches and the business cycle (rising 40% in 2022 and then 25% a year for the next four years)
- Long-term growth rate: 1%
- Discount rate: 11%

Turnover for the Hercules business declined sharply over the period 2013-2019 with the successive withdrawal of the brand's ranges of Wi-Fi and CPL products, webcams and multimedia and wireless speakers.

Over the past few years, the business has refocused around audio and DJing products. This refocusing has required substantial investment in R&D and marketing, thus affecting profitability.

A new growth cycle began in 2020, with turnover up 70%.

Growth in 2021 came in at 13%, slowed by production delays and shortages of electronic components.

Sales of the new range of Inpulse DJ controllers released in late 2018 – which had received a very warm welcome, with the DJControl Inpulse 300 winning a CES Innovation Honoree Award at the 2019 Consumer Electronics Show (CES) in Las Vegas – grew strongly in 2020 and 2021.

New listings were secured with major retail chains, which should enable the Group to continue to expand in the DJ controller market over the coming years as the Hercules DJ community continues to grow.

The refocusing of the business around audio and DJ products, together with the sales growth seen in 2020 and 2021, supports the Group's assumption of double-digit growth in Hercules' turnover over the next five years.

Discount rate sensitivity test:

- A 1% increase in the discount rate would reduce the recoverable amount of the Hercules cash-generating unit by €0.9 million.
- A 1% decrease in the discount rate would increase the recoverable amount of the Hercules cash-generating unit by €1.1 million.

Sensitivity test on the ratio of net operating income to turnover:

- A 1% increase in the ratio of net operating income to turnover over the period 2022-2026 would increase the recoverable amount of the Hercules cash-generating unit by €1.9 million.

- A 1% decrease in the ratio of net operating income to turnover over the period 2022-2026 would reduce the recoverable amount of the Hercules cash-generating unit by €1.9 million.

A write-back of impairment against the Hercules brand is deemed reasonably possible if operating profitability should exceed 5% over the next five years combined with 25% year-on-year growth in turnover.

- **Thrustmaster:**

The Thrustmaster brand is allocated to the Thrustmaster CGU.

Following impairment testing of the Thrustmaster CGU, the value of the Thrustmaster brand was unchanged at December 31, 2021.

The Thrustmaster brand has a net balance sheet value of €9,410k, the same as its purchase cost.

In accordance with IAS 36, projections are over five years with a terminal value.

The following assumptions are used in calculating discounted future cash flows for the Thrustmaster cash-generating unit:

- Ratio of net operating income to turnover: 15% in 2022 then 10% for each of the next four years
- Working capital increasing steadily over the first two years then stable for the following three years
- Five-year turnover projections taking into account forecast new product launches and the business cycle (rising 13% in 2022 and 10% in 2023, then holding steady)
- Discount rate: 11%

Thrustmaster has achieved global recognition and is now a key player in PC and console racing wheels and joysticks, with an installed base that continues to grow. Turnover generated by the brand in 2021, up 49%, together with record operating profitability of 20%, highlight the current strong momentum in these markets.

Measurement of the Thrustmaster brand may involve the risk of adjustments in future years should assumptions concerning future cash flows generated by the Thrustmaster business be significantly downgraded.

Discount rate sensitivity test:

- A 1% increase in the discount rate would reduce the recoverable amount of the Thrustmaster cash-generating unit by €11.8 million. However, given the brand's recoverable amount, no impairment loss would be recognized.
- A 1% decrease in the discount rate would increase the recoverable amount of the Thrustmaster cash-generating unit by €14.2 million.

Sensitivity test on the ratio of net operating income to turnover:

- A 1% increase in the ratio of net operating income to turnover would increase the recoverable amount of the Thrustmaster cash-generating unit by €14.1 million.
- A 1% decrease in the ratio of net operating income to turnover would reduce the recoverable amount of the Thrustmaster cash-generating unit by €14.1 million. However, given the brand's recoverable amount, no impairment loss would be recognized.

Development costs

Development costs on projects meeting the six eligibility criteria laid down in IAS 38 are capitalized.

Project eligibility is reviewed quarterly by the finance and technical departments, in agreement with senior management. Assets are transferred from assets under construction to capitalized development costs when released into production (a total of €2,699k in the fiscal year). Scrappage costs and the cost of projects written off totaled €1,264k in the year, mainly relating to development projects that no longer met the criteria for capitalization.

The following Guillemot Corporation Group companies generate development costs: Hercules Thrustmaster SAS, Guillemot Innovation Labs SAS, Guillemot Recherche et Développement Inc., Guillemot Romania Srl and Guillemot Corporation (HK) Limited. Capitalized costs may relate to all Hercules and Thrustmaster product lines.

Development costs in progress increased by €3,150k in the year. These investments are financed from shareholders' equity and through bank loans and authorized overdrafts (see note 5.7.13).

A geographical breakdown of development costs in progress in 2021 is as follows: France €1,608k; other countries €783k.

Uncapitalized development costs recognized in expenses totaled €3.3 million in 2021.

Licenses

Licenses include guaranteed amounts payable over the life of the contracts in question.

5.7.3 Property, plant and equipment

Property, plant and equipment for use in operations is broken down as follows:

Gross amounts	Dec 31, 2020	Changes in		Currency translation		Dec 31, 2021
		scope	Increases	Decreases	adjustments	
Land	399					399
Buildings	8,415		299		3	8,717
Plant	5,079		1,266	937	21	5,429
Other prop., plant & equipt.	1,927		330	77	20	2,200
Assets under construction	545		1,359	1,226		678
TOTAL	16,365	0	3,254	2,240	44	17,423

Depreciation	Dec 31, 2020	Changes in		Currency translation		Dec 31, 2021
		scope	Increases	Decreases	adjustments	
Buildings	6,232		486		3	6,721
Plant	4,299		644	936	20	4,027
Other prop., plant & equipt.	1,335		223	75	16	1,499
TOTAL	11,866	0	1,353	1,011	39	12,247

Net amounts	Dec 31, 2020	Dec 31, 2021
Land	399	399
Buildings	2,183	1,996
Plant	780	1,402
Other prop., plant & equipt.	592	701
Assets under construction	545	678
TOTAL	4,499	5,176

Property, plant and equipment under construction totaling €1,139k was transferred to the "Plant" item during the year. Property, plant and equipment under construction mainly relates to molds and equipment used in the production of new products.

Investment in property, plant and equipment in the year totaled €1,879k (excluding the impact of IFRS 16). These investments are financed from shareholders' equity and through bank loans and authorized overdrafts (see note 5.7.13).

A geographical breakdown of these investments in 2021 is as follows: France €510k; other countries €1,369k.

Adoption of IFRS 16 resulted in a €1,704k increase in property, plant and equipment at December 31, 2021 in respect of lease right-of-use assets (€1,681k in buildings and €23k in other property, plant and equipment).

The rental expense in respect of leases with a term of 12 months or less, low-value leases and leases not taken into account when calculating the lease liability was €249k in 2021.

Leases mainly relate to offices and vehicles.

Leases were analyzed on a case-by-case basis (with around 20 leases affected across the Group) by contacting managers at local subsidiaries to assess the appropriate lease term, whether or not there was any option to extend or terminate the lease and whether it was reasonably certain that the lessee would exercise an option to extend and/or not exercise an option to terminate.

The Group has assumed a nine-year term for leases in France with three-year renewal periods.

The incremental borrowing rate for each subsidiary is determined taking into account the known incremental borrowing rate for the parent company in France (1.05%) as a starting point and applying a risk premium based on the size of foreign subsidiaries and the ten-year sovereign bond spread for each country.

The Group uses a rate that reflects the duration of the lease.

IFRS 16 right-of-use assets by underlying asset class:

Gross amounts	Dec 31, 2020	Changes in scope	Increases	Decreases	Currency translation adjustments	Dec 31, 2021
Buildings	2,668		277	41		2,904
Other prop., plant & equipt.	141					141
TOTAL	2,809	0	277	41	0	3,045

Depreciation	Dec 31, 2020	Changes in scope	Increases	Decreases	Currency translation adjustments	Dec 31, 2021
Buildings	806		417			1,223
Other prop., plant & equipt.	73		45			118
TOTAL	879	0	462	0	0	1,341

5.7.4 Financial assets

Non-current financial assets are broken down as follows:

Gross amounts	Dec 31, 2020	Changes in scope	Increases	Decreases	Currency translation adjustments	Dec 31, 2021
Other long-term investments	304		35	20		319
Other non-current financial assets	143		8	1	4	154
TOTAL	447	0	43	21	4	473

Movements in other long-term investments relate to the liquidity agreement currently in force and a release of funds linked to a bank account in the form of an escrow account. A total of €300k in cash has been allocated to the liquidity agreement since it was first entered into.

Changes in other non-current financial assets relate to security deposits.

Current financial assets include Ubisoft Entertainment shares.

	Net Dec 31, 2020	Disposals Dec 31, 2021	Acquisitions Dec 31, 2021	Translation adjustments Dec 31, 2021	Financial gain/loss Dec 31, 2021	Net Dec 31, 2021
Ubisoft Entertainment shares						
Number	443,874					443,874
Fair value (€k)	34,995				-15,877	19,118
Currency derivatives	0					0
Total value	34,995	0	0	0	-15,877	19,118

Ubisoft Entertainment shares (listed on an active market) are measured at fair value in accordance with IFRS 9. At December 31, 2021, the Group held 443,874 Ubisoft Entertainment shares representing 0.35% of the company's share capital.

The price used at December 31, 2020 was €78.84 per Ubisoft Entertainment share. The price used to calculate the fair value of shares at December 31, 2021 was €43.07 per Ubisoft Entertainment share. The resulting remeasurement loss recognized at December 31, 2021 was €15,877k.

The Group reserves the right to use these shares to finance its funding requirements.

To limit the Group's foreign exchange risk, Guillemot Corporation may hedge against currency fluctuations by buying currency futures and options. Since such transactions do not meet the criteria for hedge accounting, they are recognized as trading instruments.

These derivatives are recognized in the balance sheet under current financial assets or liabilities at their fair value at the transaction date. Any gain or loss resulting from remeasurement at fair value is recognized immediately in net financial income. There were no contracts of this type at December 31, 2021.

5.7.5 Inventories

Inventories	Gross Dec 31, 2020	Change in inventories (outcome)	Changes in scope	Currency translation adjustments	Gross Dec 31, 2021
Raw materials	3,562	3,966			7,528
Finished products	20,052	15,625		490	36,167
TOTAL	23,614	19,591	0	490	43,695

Accumulated impairment	Dec 31, 2020	Increases	Decreases	Changes in scope	Currency translation adjustments	Dec 31, 2021
Raw materials	630	176	61			745
Finished products	2,373	1,642	2,102		112	2,025
TOTAL	3,003	1,818	2,163	0	112	2,770

Total net inventories	20,611					40,925
------------------------------	---------------	--	--	--	--	---------------

Inventories consist of electronic components and sub-assemblies as well as finished products.

The Group uses a number of indicators to analyze products at risk of impairment: rotation rates, sales, inventory levels, gross profit margin, open orders, business outlook, return requests, market share, competitor products, etc. Products are mainly analyzed individually so as to identify the risk of impairment as accurately as possible.

No provisions have been set aside for the risk of obsolescence of inventory. Individual analysis takes account of this statistical approach.

An impairment loss is recognized whenever the value of inventory is greater than its probable realizable value.

The Group's total net inventories at December 31, 2021 were 99% higher than at December 31, 2020. This increase was a result of strong business growth in the year and need for the Group to build up inventories in advance due to shortages of electronic components and supply chain issues. Impairment in the year mainly related to products in the Thrustmaster range.

5.7.6 Trade receivables

Trade receivables	Gross Dec 31, 2020	Changes	Changes in scope	Currency translation adjustments	Reclassifications	Gross Dec 31, 2021
Trade receivables	28,426	30,551		960		59,937

The majority of trade receivables at December 31, 2021 were covered by a credit insurance policy, with coverage ranging from 90% to 95% depending on geographical region. Trade receivables totaled €59,872k at December 31, 2021, compared with €28,245k a year earlier.

This increase was driven by strong sales growth over the fourth quarter of 2021 (with turnover up 65%) and the extension of payment terms as a result of supply chain disruption throughout 2021.

The Group's top customer accounted for 25% of consolidated turnover.

Accumulated impairment	Dec 31, 2020	Additions	Reversals	Translation adjustments	Reclassifications	Dec 31, 2021
Trade receivables	181		116			65

A breakdown of trade receivables by due date is as follows:

Trade receivables	Gross at Dec 31, 2021	Not yet due	0-29 days overdue	30-59 days overdue	60-89 days overdue	More than 90 days overdue
Trade receivables	59,937	46,866	6,374	5,079	304	1,314
Accumulated impairment	65					65

Unimpaired trade receivables more than 90 days overdue mainly consist of customer deductions recognized in expenses.

5.7.7 Other receivables

	Dec 31, 2021	Dec 31, 2020
Advances and progress payments	4,401	1,696
VAT receivables	975	765
Amounts receivable from suppliers	1	47
Other	194	68
Prepaid expenses	1,038	1,311
TOTAL	6,609	3,887

The increase in advances and progress payments was the result of supply shortages requiring the Group to make advance payments to its key suppliers.

5.7.8 Cash and cash equivalents

	Dec 31, 2021	Dec 31, 2020
Cash	12,027	29,024
Cash equivalents	0	0
TOTAL	12,027	29,024

5.7.9 Tax assets

The balance sheet shows total current tax assets of €516k, consisting of a €50k receivable in respect of the French Employment and Competitiveness Tax Credit (*Crédit d'Impôt Compétitivité Emploi*) and €466k in receivables in respect of the French and Canadian research and innovation tax credits.

5.7.10 Shareholders' equity

The share capital consists of 15,287,480 shares with a par value of €0.77 each.

Guillemot Corporation S.A. holds 36,040 treasury shares, reducing the value of shareholders' equity by €539k. At December 31, 2021, treasury shares accounted for 0.24% of the total share capital.

Movements in shares of the consolidating company under the liquidity agreement in force increased shareholders' equity by €35k in 2021.

Maximum potential number of shares to be created:

Via exercise of options: 193,950

Key characteristics of stock option plans:

	Plan no. 11
Date of Board meeting	Dec 3, 2021
Number of shares	193,950
Par value	0.77 €
Subscription price	14.44 €
Exercise date	Dec 3, 2023 to Dec 3, 2031
Number of shares subscribed	-
O/w during fiscal year 2021	-
Stock options cancelled or lapsed	-
Stock options outstanding	193,950
Options available for exercise at Dec 31, 2021	193,950

The first ten stock option plans have all lapsed.

The Group has put in place compensation plans that pay out in the form of equity instruments (stock options). The fair value of services rendered by employees in return for the granting of options is recognized in expenses. The total amount expensed over the vesting period is determined by reference to the fair value of the options granted, without taking into account the vesting conditions, which are not market conditions. The vesting conditions, which are not market conditions, are factored into assumptions relating to the number of options that may become available for exercise. At each balance sheet date, the Company reassesses the number of options that may become available for exercise. If necessary, the impact of any revision of such estimates is recognized in income, with a corresponding adjustment to shareholders' equity.

The number of options available for exercise takes into account the terms of exercise of options specific to each plan.

In accordance with IFRS 2 on share-based payments, the fair value of the stock option plan is calculated as the product of (i) the unit fair value of stock options allotted at the Allotment Date and (ii) the probable number of stock options ultimately allotted, taking into account estimated employee turnover over the vesting period, remeasured at each balance sheet date.

The IFRS 2 unit fair value of stock options was estimated using optional financial models suited to the characteristics of the instruments allotted. Two types of models were used: the Black and Scholes model and the binomial model. The measurement parameters used were mainly calibrated against observed market data at the Allotment Date. In particular:

- Volatility was measured using historical Guillemot Corporation stock market data over a period commensurate with the expected maturity of the options.
- Risk-free interest rates were determined by reference to the German sovereign yield curve at the Allotment Date and over a period commensurate with the expected maturity of the options.
- The dividend yield corresponds to the average historical yield for Guillemot Corporation over the past ten years.

In fiscal year 2021, the Group recognized a €50k expense under employee expenses.

Key inputs into the valuation model are as follows:

- Share price volatility: 55.7%
- Risk-free interest rate: -0.5%/-0.7%
- Number of years before options expire: 10

5.7.11 Provisions for liabilities and charges

Provisions for liabilities and charges are broken down as follows:

	Dec 31, 2020	Increases	Decreases		Currency	
			Used	Unused	translation adjustments	Dec 31, 2021
Other	50	9	1			58
TOTAL	50	9	1	0	0	58

5.7.12 Employee benefit liabilities

The Group has no post-employment benefit schemes other than the statutory scheme laid down in collective bargaining agreements covering the Group's employees.

Provisions are calculated using the projected unit credit method, based on retirement benefits payable upon retirement according to length of service. (The benefits in question are those paid to employees upon retirement.)

The main actuarial assumptions used are as follows:

- Calculation year: 2021
- Discount rate: 0.98%
- Use of collective bargaining agreements specific to subsidiaries
- Retrospective calculation method for projected credit units
- Insee 2021 mortality table
- 2021 baseline salary, assuming a 2% annual increase until retirement

At December 31, 2021, the amount of the recognized provision stood at €1,377k, compared with 1,383k at December 31, 2020.

The Group has taken into account the IFRS IC's interpretation on attributing benefit to periods of service. In the case of a defined benefit plan for employees, the benefit is spread over a period that runs from the date when employee service first leads to benefits under the plan until the date when further employee service will lead to no further benefits. The impact of this new method for the Group is to reduce the actuarial liability by €74k.

In accordance with IAS 19 revised, all actuarial gains and losses are recognized in other comprehensive income. The impact on Group shareholders' equity in fiscal year 2021 was -€207k.

5.7.13 Borrowings

Borrowings are broken down as follows:

	Dec 31, 2021	Current (due within 1 year)			Non-current (due within more than 1 year)		Dec 31, 2020
		0-3 mths	3-6 mths	6-12 mths	> 1 yr	> 5 yrs	
Borrowings from credit institutions	6,830	1,638	1,035	2,073	2,009	75	10,842
Bank overdrafts and foreign currency advances	21	21					11
Sundry	15	3				12	20
TOTAL	6,866	1,662	1,035	2,073	2,009	87	10,873

The Group has fixed-rate financial liabilities totaling €6,833k and floating-rate financial liabilities totaling €21k. Bank overdrafts (at floating rates) totaled €21k at December 31, 2021 and there were no foreign currency advances.

Over the period, the Group repaid €5,120k in bank borrowings and took out new borrowings totaling €1,328k. These borrowings are due to be repaid in less than two years and the applicable interest rate is less than 1%. At December 31, 2021, the Group had no borrowings subject to acceleration clauses.

Statement of changes in liabilities arising from financing activities in the cash flow statement:

(€k)	Dec 31, 2020	Cash flows	Other		Dec 31, 2021
			Changes in		
			Purchases	exchange rates	Changes in fair values
Long-term borrowings	4,496	-3,682	0	0	0
Short-term borrowings	4,395	-109	0	0	0
Lease liabilities	1,951	-221	0	0	0
Hedging assets	0		0	0	0
Total financing activities	10,842	-4,012	0	0	0

Foreign currency liabilities at December 31, 2021 were mainly in euros.

Net debt	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Borrowings	6,866	10,873	16,034
Shareholders' current accounts	0	0	0
Cash at bank and in hand	12,027	29,024	5,851
Net debt	-5,161	-18,151	10,183

The Group's net debt at December 31, 2021 was negative at -€5,161k.

Adoption of IFRS 16 has increased the Group's net debt by €1,730k (€460k short-term and €1,270k non-current).

The financial expense relating to lease liabilities in fiscal year 2021 totaled €27k.

The Group also has a portfolio of equities worth €19,118k (fair value at December 31, 2021) and has undrawn credit lines in place with its partner banks.

5.7.14 Other liabilities

	Dec 31, 2021		Dec 31, 2020
	Current	Non-current	
Social security liabilities	2,897	0	2,299
Current accounts	0	0	0
Advances and progress payments	392	0	81
Prepaid income	3,904	0	1,214
Other	19,491	0	11,082
TOTAL	26,684	0	14,676

The "Other" item notably consists of accrued expenses relating to licenses (€4,459k, compared with €2,747k in 2020), trade payables linked to variable consideration (€11,352k, compared with €5,302k in 2020) and liabilities relating to returns (€3,636k, compared with €2,993k in 2020).

The measurement of the liability relating to returns is based on customer requests known and approved at the reporting date as well as expectations by the Group's sales department (see note 5.4.21).

5.7.15 Deferred taxes

Deferred taxes on the balance sheet at December 31, 2021 totaled €5,312k.

Breakdown of deferred taxes by type:

(€k)	Dec 31, 2021
Recognition of tax loss carryforwards – Guillemot Corporation SA	7,763
Consolidation adjustments	636
Unrealized gains on Ubisoft shares held (deferred tax liability)	-3,087
TOTAL	5,312

A deferred tax asset is only recognized insofar as it is probable that the Group will generate future taxable profits against which the deferred tax asset may be applied. The Group's ability to recover deferred tax assets relating to tax loss carryforwards is assessed by senior management at the end of each fiscal year, taking into account forecast future taxable profits over a five-year period.

Given its future outlook, at December 31, 2021 the Group recognized the full amount of its French entities' tax loss carryforwards totaling €31,053k, resulting in the recognition of a deferred tax asset of €6,094k. Furthermore, deferred tax assets of €1,668k were recognized due to the existence of deferred tax liabilities with the same maturity, taking into account rules applicable in France limiting the application of tax losses.

Breakdown of unrecognized tax loss carryforwards:

(€k)	Dec 31, 2021
Guillemot GmbH (Germany)	1,367
Guillemot Electronic Technology (Shanghai) Co. Ltd.	762
Guillemot Ltd. (United Kingdom)	265
TOTAL	2,394

5.8 Notes to the income statement

5.8.1 Purchases, external expenses and employee expenses

Purchases

Purchases totaled €102,391k in 2021, consisting of purchases of raw materials (electronic components) and finished products.

External expenses

External expenses are broken down as follows:

	Dec 31, 2021	Dec 31, 2020
Subcontracting	3,858	723
Purchases not held in inventory, equipt. & supplies	309	278
Other external expenses	27,205	16,553
TOTAL	31,372	17,554

Other external expenses mainly consist of product shipping expenses, advertising, marketing, and uncapitalized external research and development costs.

Employee expenses

Employee expenses consist of employee compensation and social security contributions. This item totaled €12,825k in 2021, compared with €11,000k in 2020. An amount of €102k corresponding to research tax credits was recognized as a deduction against 2021 employee expenses.

5.8.2 Additions to amortization, depreciation and impairment

Additions to amortization and depreciation are broken down as follows:

	Dec 31, 2021	Dec 31, 2020
Amortization of intangible assets	3,117	2,406
Depreciation of property, plant and equipment	1,336	1,210
TOTAL	4,453	3,616

Amortization of intangible assets mainly relates to guaranteed amounts in connection with license agreements (€1,267k) and capitalized research and development costs (€1,777k).

Depreciation of property, plant and equipment mainly relates to buildings (€486k, including €417k in connection with IFRS 16) and plant (€645k).

Impairment is broken down as follows:

	Dec 31, 2021	Dec 31, 2020
Impairment of trade receivables	0	0
Impairment in respect of liabilities and charges	93	84
Impairment of inventory	1,912	2,250
Other impairment	221	1,154
TOTAL	2,226	3,488

Impairment of inventory relates to products in both the Hercules and Thrustmaster ranges (€114k and €1,798k respectively).

Other impairment includes impairment losses on capitalized R&D projects that no longer meet the criteria for capitalization.

5.8.3 Change in inventory

Change in inventory mainly consists of reversals of impairment losses on inventory and increases and decreases in inventory.

5.8.4 Other income and expenses from ordinary activities

	Dec 31, 2021	Dec 31, 2020
Income		
Write-backs from other current assets	116	35
Other income from ordinary activities	217	218
Proceeds from fixed asset disposals	8	1
Total income	341	254
Expenses		
Licenses	-11,342	-7,025
Book value of fixed assets disposed of	-1	0
Other expenses from ordinary activities	-555	-634
Total expenses	-11,898	-7,659
TOTAL	-11,557	-7,405

The main amounts under the "Licenses" item relate to current partnerships in connection with Microsoft® and Sony® consoles.

5.8.5 Other operating income and expenses

None.

5.8.6 Cost of net financial debt and other financial expenses and income

The cost of net financial debt in the year to December 31, 2021 was €112k. This includes interest costs and financial expenses in connection with borrowings, as well as foreign exchange gains and losses arising from the payment of financial liabilities. Financial expenses relating to leases (IFRS 16) totaled €27k in the fiscal year.

Other financial income and expenses are broken down as follows:

	Dec 31, 2021	Dec 31, 2020
Foreign currency translation adjustments		0
Unrealized gain on Ubisoft Entertainment shares		7,661
Total other financial income	0	7,661
Other financial expenses	3	2
Foreign currency translation adjustments	413	130
Unrealized loss on Ubisoft Entertainment shares	15,877	0
Total other financial expenses	16,293	132

Foreign exchange effects arising from the translation of subsidiaries' accounts

All subsidiaries conduct business in their local currency. The impact on shareholders' equity at December 31, 2021 was +€658k.

Financial risks

In accordance with IFRS 7 on financial instruments, a breakdown of the Group's exposure to the various types of financial risk is as follows.

Liquidity risk: at December 31, 2021, the Group's borrowing and bank financing facilities were not fully utilized and net debt was negative at -€5.2 million.

The Group has undrawn credit lines in place with its partner banks.

The Group also has a portfolio of available-for-sale securities measured at a fair value of €19.1 million at December 31, 2021. At December 31, 2021, the Group had no borrowings subject to acceleration clauses.

Equity risk: the Group's earnings are affected by fluctuations in the market price of its shareholdings. A 10% decrease in the price of Ubisoft Entertainment shares over the course of 2022 (relative to their price at December 31, 2021) would reduce net financial income by €1.9 million.

At March 18, 2022, Ubisoft Entertainment shares closed at €39.74, down 7.73% relative to their price at December 31, 2021. This decrease would give rise to the recognition of a revaluation loss of €1,478k in the Group's consolidated financial statements at that date.

Interest rate risk: based on the Group's outstanding unhedged floating-rate financial liabilities at December 31, 2021, a 1% increase in interest rates on an annual basis would have no impact on net financial income, since the Group had no floating-rate financial liabilities at December 31, 2021.

Foreign exchange risk: a breakdown of the Group's foreign currency assets and liabilities at December 31, 2021 (unhedged amounts only – i.e. those exposed to exchange rate fluctuations) is set out below.

Foreign currency amounts exposed to upward or downward exchange rate fluctuations:

(€k)	USD	GBP
Assets	37,631	2,858
Liabilities	25,078	78
Net position before hedging	12,553	2,780
Off balance sheet position	0	0
Net position after hedging	12,553	2,780

Based on foreign currency values exposed to exchange rate fluctuations at December 31, 2021, a 10% annual decrease in the US dollar exchange rate would result in a financial loss of €1,008k.

Based on foreign currency values exposed to exchange rate fluctuations at December 31, 2021, a 10% annual decrease in the sterling exchange rate would increase financial expenses by €301k.

The impact of exchange rate fluctuations on other currencies is not material.

Since all major players in the multimedia industry transact in US dollars, no one manufacturer has a competitive advantage that would result in increased market share. Since all industry players index-link their selling prices to cost prices in US dollars, selling prices rise and fall in line with cost prices.

The main currency for purchases of hardware and accessories is the US dollar. The trading currency in the United States, Canada and all other countries outside Europe is also the US dollar. In Europe, the Group mainly sells its products in euros. Rapid currency fluctuations, and particularly declines in the value of the US dollar, may result in lower selling prices for the Group's products, thus impacting the value of inventories.

Conversely, given the seasonal nature of the Company's business, if the US dollar were to rise sharply during the second half of the year, the Group would not be able to adjust its selling prices to reflect the full extent of such an increase, which could therefore have a temporary adverse effect on the Group's accounting gross margin.

However, to limit the Group's foreign exchange risk, Guillemot Corporation hedges against currency fluctuations by buying spot currency and currency futures and options.

No hedging contracts were in force at December 31, 2021.

Furthermore, growth in US and export sales over the past few years has boosted the Group's natural hedging and significantly reduced its foreign exchange risk.

Credit risk: this refers to the risk of financial loss should a customer fail to meet its contractual obligations. The Group manages this risk by taking out credit insurance covering more than 90% of the overall risk. Since the Group uses wholesalers and top-tier e-tailers, it has only a limited number of direct customers. In a few cases, the Group is obliged to grant additional credit where its insurance cover is considered clearly unsuitable.

5.8.7 Corporate income tax

Corporate income tax is broken down as follows:

	Dec 31, 2021	Dec 31, 2020
Deferred taxes	1,828	2,339
Current taxes	-4,715	-3,038
TOTAL	-2,887	-699

Income tax payable corresponds to total income taxes payable by all Group companies. Deferred tax is calculated on timing differences relating to tax adjustments, consolidation adjustments and tax loss carryforwards.

At December 31, 2021, the Group recognized the full amount of its tax loss carryforwards in France. Income from deferred tax assets recognized in the income statement totaled €1,828k in the year.

The taxation rate used to calculate deferred taxes takes into account the new arrangements laid down in France's 2020 Budget Act, under which the corporate income tax rate will gradually fall to 25% in the medium term.

Income tax calculation:

(€k)	Dec 31, 2021
Profit (loss) before tax	16,594
Income and expenses not subject to income tax	0
Theoretical tax (26.5%)	4,397
Temporary and permanent tax differences	-429
Tax loss carryforwards	-1,707
Uncapitalized losses	86
Theoretical income tax	2,347
Rate differences	444
Sundry	96
TOTAL	2,887

5.8.8 Discontinued operations

The Group has not discontinued any operations in recent years.

5.8.9 Earnings per share

	Dec 31, 2021	Dec 31, 2020
Basic earnings per share		
Earnings	13,707	29,781
Weighted average no. of shares (thousands)	15,287	15,287
No. of treasury shares (thousands)	-36	-42
Total shares (thousands)	15,251	15,245
Basic earnings per share	0.90	1.95

	Dec 31, 2021	Dec 31, 2020
Diluted earnings per share		
Earnings	13,707	29,781
Weighted average no. of shares (thousands)	15,287	15,287
No. of treasury shares (thousands)	-36	-42
Total shares (thousands)	15,251	15,245
Maximum number of shares to be created		
- via conversion of bonds	0	0
- via exercise of options	194	0
- via exercise of subscription rights	0	0
Total shares (thousands)	15,445	15,245
Diluted earnings per share	0.89	1.95

5.8.10 Advances and loans granted to senior executives

No loans or advances have been granted to senior executives of the Company, in accordance with Article L.225-43 of the French Commercial Code.

5.8.11 Off-balance-sheet commitments

Documentary credits: €742k

5.8.12 Directors' and executives' compensation

In the course of the fiscal year ended December 31, 2021, the Company paid Board members a total of €102,000 in respect of their duties.

The total amount of gross fixed compensation paid by the Company to the executive directors in respect of their executive duties during the fiscal year ended December 31, 2021 was €220,440.

Furthermore, in the fiscal year ended December 31, 2021, variable compensation was allotted to the Chairman and Chief Executive Officer and to each of the Deputy Chief Executive Officers in the amounts of €47,040 and €5,875.20 respectively.

This variable compensation, which can equal up to 40% of fixed compensation if performance against targets reaches the maximum level, will be paid to the executive directors once this component of compensation has been approved at the shareholders' general meeting, in accordance with the Company's compensation policy.

Relative weighting of each performance indicator (quantitative and qualitative)	% of variable	Min	Target	Max	Extent achieved	Cash amount corresponding to extent achieved	Assessment
Growth in consolidated turnover	20%	N/A	5%	10%	Maximum (+47%)	Chairman and CEO: €11,760 Deputy CEO: €1,468.80	On the basis of the consolidated financial statements for the fiscal year ended December 31, 2021, as signed off by the Board of Directors and audited by the statutory auditors
Ratio of consolidated net income from ordinary activities to consolidated turnover	60%	N/A	3%	5%	Maximum (+18.67%)	Chairman and CEO: €35,280 Deputy CEO: €4,406.40	
Increase in total number of hours' training delivered to employees of the Group by accredited training organizations	20%	N/A	5%	10%	Not achieved (-39.17%)	Chairman and CEO: €0 Deputy CEO: €0	On the basis of information included in the management report for the fiscal year ended December 31, 2021
Overall rate of achievement of 2021 targets	N/A	N/A	N/A	N/A	80%	N/A	N/A

The executive directors do not have employment contracts with the Company.

During the fiscal year ended December 31, 2021:

- no exceptional compensation was paid to the executive directors;
- no stock options were allotted to the executive directors by Guillemot Corporation S.A. or any other company belonging to Guillemot Corporation Group, nor were any such options purchased or exercised by the executive directors;
- no free shares were awarded to the executive directors by Guillemot Corporation S.A. or any other company belonging to Guillemot Corporation Group;
- no benefits, including in the form of shares of stock, debt instruments or securities giving access to equity or entitling the holder to receive debt instruments of the Company or of companies as referred to in Articles L.228-13 and L.228-93 of the Commercial Code, were paid in the fiscal year;
- the Company did not enter into any commitment in favor of its corporate officers with regard to compensation, allowances or benefits that are or may become due by reason of or subsequent to the assumption or cessation of duties or a change in duties, including in particular pension liabilities and other lifetime benefits;
- no compensation was paid under any incentive or bonus plan;
- no specific pension scheme was put in place for the corporate officers.

The corporate officers of Guillemot Corporation S.A. did not receive any compensation from other Guillemot Corporation Group companies in the fiscal year.

5.8.13 Workforce

At December 31, 2021, the Group had 242 employees worldwide, including 90 managers. European companies (including those in the United Kingdom) accounted for 75% of the total workforce and non-European companies for the remaining 25%.

5.8.14 Information about related companies

The parent company is owned by Guillemot Brothers Ltd. (14.63%), the Guillemot family (53.53%), Guillemot Corporation S.A. (0.24%) and members of the public (31.60%).

The main related parties are Guillemot Brothers Ltd. and members of the Guillemot family controlling the issuer, the Group's consolidated subsidiaries (see scope of consolidation in section 5.5.1) and the Ubisoft Entertainment group, in which members of the Guillemot family hold significant voting rights.

Key figures relating to the Ubisoft Entertainment group are as follows:

	Dec 31, 2021
(€k)	Ubisoft Entertainment
Trade receivables	5
Trade payables	175
Revenue	982
Expenses	659

6. SUBSEQUENT EVENTS

On February 24, 2022, Russia launched a military offensive against Ukraine in violation of international law, resulting in many countries imposing economic sanctions on Russia.

The Guillemot Corporation Group's exposure is as follows: in 2021, the Group generated turnover of €3 million with Russia and Ukraine, equating to 1.7% of consolidated total turnover. Relevant trade receivables at February 24, 2022 totaled €0.9 million and are 95% covered by a credit insurance policy.

On March 13, 2022, the Chinese Government imposed a strict lockdown on Shenzhen due to an increase in the number of Covid cases. This has caused intermittent disruption to the Group, affecting production and container shipping to customers.

The Group expects the public health and logistical situation to remain complex in 2022 and is putting in place policies to cushion the effects on growth.

7. DATA RELATING TO THE PARENT COMPANY, GUILLEMOT CORPORATION S.A.

GUILLEMOT CORPORATION S.A.	Dec 31, 2021	Dec 31, 2020
(€k)		
Turnover	168,762	109,418
Net operating income (loss)	30,404	17,594
Profit (loss) before tax	32,064	20,613
Net profit (loss)	28,046	17,692

8. AUDITORS' FEES

Fiscal year 2021	PricewaterhouseCoopers Audit		MB Audit	
	Amount excl. taxes	%	Amount excl. taxes	%
Certification of the financial statements	82,289	100%	54,641	100%
Services other than certification of the financial statements	0	0%	0	0%
TOTAL	82,289	100%	54,641	100%

Fiscal year 2020	PricewaterhouseCoopers Audit		MB Audit	
	Amount excl. taxes	%	Amount excl. taxes	%
Certification of the financial statements	75,441	100%	54,301	100%
Services other than certification of the financial statements		0%		0%
TOTAL	75,441	100%	54,301	100%

9. EVALUATION AND DESCRIPTION OF THE FINANCIAL IMPACTS OF ENVIRONMENTAL RISKS

The Group operates in the PC and console accessories sector.

The Group has not entered into any environmental commitments (either to reduce its products' environmental footprint or to use only renewable energy).

In drawing up the consolidated financial statements, the Group has taken into account the impact of climate change. These considerations did not have a material impact on the judgments and estimates used in preparing financial reporting in 2021. Environmental and climate risks have been evaluated in light of the key components of the financial statements to December 31, 2021:

IAS 1, "Presentation of Financial Statements": the impact of environmental risks on the business appears limited.

IAS 2, "Inventories": climate-related matters are not likely to result in the Group's products becoming obsolete.

IAS 12, "Income Taxes": no impact on taxes for the Group.

IAS 16, "Property, Plant and Equipment", and IAS 38, "Intangible Assets": the key items relate to brands, research and development costs, buildings and plant. These assets are not located in areas subject to environmental risk.

IAS 36, "Impairment of Assets": no impairment losses are anticipated in respect of climate change.

IAS 37, "Provisions, Contingent Liabilities and Contingent Assets": no impact identified in the year ended December 31, 2021.

IFRS 7, "Financial Instruments: Disclosures", and IFRS 9, "Financial Instruments": no impact for the Group.

IFRS 13, "Fair Value Measurement": no impact for the Group.

IFRS 17, "Insurance Contracts": no impact from environmental risks for the Group; no mention of this subject in the Group's insurance policies.

10. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Fiscal year ended December 31, 2021

The Shareholders
Guillemot Corporation
Place du Granier
BP 97143
35571 Chantepie Cedex

Opinion

Pursuant to the engagement entrusted to us at your shareholders' general meeting, we have audited Guillemot Corporation's consolidated financial statements for the fiscal year ended December 31, 2021, as appended to this report.

We certify that, in light of the IFRS framework as adopted in the European Union, the consolidated financial statements are in order and in good faith, and provide a true and fair view of performance over the past year as well as the financial position and assets of the overall group formed by the companies and entities included within the scope of consolidation.

The opinion set out above is consistent with the content of our report to the audit committee.

Basis for our opinion

Audit standards

We have carried out our audit in accordance with professional standards applicable in France. We consider that the evidence we have collected forms an adequate and appropriate basis for our opinion.

The responsibilities that fall to us by virtue of these standards are indicated in the section of this report titled "Statutory auditors' responsibilities as regards auditing the consolidated financial statements".

Independence

We conducted our audit in compliance with the independence rules laid down in the French Commercial Code and the code of professional ethics for statutory auditors over the period from January 1, 2021 to the date on which we issued our report. In particular, we did not provide any prohibited services as laid down in the first paragraph of Article 5 of Regulation (EU) No. 537/2014.

Basis for our conclusions and key audit matters

The global crisis resulting from the Covid-19 pandemic meant the audit of last year's financial statements had to be prepared and carried out in unusual circumstances. Indeed, the crisis and the exceptional measures adopted in response to the public health emergency have had numerous implications for businesses, impacting in particular their operations and financing, as well as giving rise to increased uncertainty as to their future outlook. Some of these measures, such as travel restrictions and remote working, have also affected businesses' internal organizational arrangements and the way audits are carried out.

In this complex and changing environment, pursuant to the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code on the basis for our conclusions, we wish to draw your attention to those key audit matters relating to risks of material misstatement which, in our opinion, were greatest for the audit of the consolidated financial statements for the year, as well as our response to those risks.

Our assessment of these matters forms an integral part of our audit of the consolidated financial statements taken as a whole, and thus forms part of the basis for our opinion expressed above. We have no opinion to express on any part of these consolidated financial statements taken on its own.

(1) Measurement of brands	
<p><u>Risk identified</u></p> <p>Brands acquired by the Guillemot Group are considered as having an indefinite life; accordingly, they are not amortized.</p> <p>At December 31, 2021, brands with an indefinite life were recognized in the balance sheet at a net carrying amount of €9.8 million, or 6% of total assets (gross amount: €10.8 million).</p> <p>An impairment loss is recognized whenever the recoverable amount of these brands, determined through an annual impairment test given their indefinite life and/or a one-off test if there is an indicator of impairment, falls below their net carrying amount.</p> <p>The recoverable amount is the higher of fair value less costs to sell and value in use.</p> <p>In the absence of a deep market for brands in the Group's industry sector, the fair value method is not used. That being the case, value in use is determined on the basis of discounted future cash flow calculations and entails a significant degree of management judgment, notably with regard to factors such as turnover growth rates, ratio of net operating income to turnover, and long-term discount and growth rates.</p> <p>Furthermore, management carried out sensitivity analysis on the brands' recoverable amounts relative to the assumptions used; these are set out in note 5.7.2 to the consolidated financial statements, "Intangible assets".</p> <p>Given the complexity of the models used and their sensitivity to changes in the data and assumptions on which estimates are based, including in particular forecast cash flows and the discount rate used, we considered the measurement of the brands' recoverable amount to be a key audit matter.</p>	<p><u>Audit procedures implemented in response to this risk</u></p> <p>In particular, we:</p> <ul style="list-style-type: none"> - familiarized ourselves with the processes by which the Group's brands are measured; - assessed the principles and methods used to determine brands' value in use; - corroborated, notably by interviewing members of management, the reasonableness of key data and assumptions on which estimates are based (such as the rate of turnover growth, the ratio of net operating income to turnover, the discount rate and the long-term growth rate); - familiarized ourselves with the business outlook for each of the Group's brands by interviewing members of management and compared accounting estimates of projected cash flows from prior periods with corresponding actual figures to assess their reliability; - tested the mathematical accuracy of the measurements adopted by the Group.

(2) Measurement of development costs	
<p><u>Risk identified</u></p> <p>Development costs are recognized in intangible assets whenever the criteria laid down in IAS 38 are met.</p> <p>At December 31, 2021, capitalized costs came to a net amount of €5.4 million, or 3% of total assets, and related to all product lines under the Hercules and Thrustmaster brands.</p> <p>Project eligibility is reviewed quarterly by the Group's finance and technical departments, in agreement with senior management.</p> <p>In the context of our audit, we paid particularly close attention to these development costs, since their capitalization is based on judgment and estimates, notably as regards the following two criteria:</p> <ul style="list-style-type: none"> - technical feasibility of completing the intangible asset before it can be used or sold - likelihood that the asset will generate future economic benefits <p>Given the increasing role played by judgment in determining which development costs should be capitalized, we considered the measurement of the net amount of development costs to be a key audit matter.</p>	<p><u>Audit procedures implemented in response to this risk</u></p> <p>In particular, we:</p> <ul style="list-style-type: none"> - Familiarized ourselves with the processes by which development costs are measured. - Checked the existence and accuracy of the amounts recognized in respect of development costs. In particular, we reconciled the amounts capitalized with internal time-tracking data as well as carrying out sample-based testing of capitalized external expenses. - Met with the finance department and consulted documentation provided by the technical department to assess the reasonableness of key data and assumptions relied on in determining whether development costs should be capitalized (such as the likelihood of future economic benefits and a project's technical feasibility). - Corroborated the information obtained through these interviews against current sales generated by capitalized projects. - Identified any indicator of impairment on these projects that would require an impairment test to be carried out. <p>We also assessed the appropriateness of the information provided in notes 5.4.3 and 5.7.2 to the consolidated financial statements on intangible assets.</p>

(3) Measurement of inventories of components and finished products	
<u>Risk identified</u>	<u>Audit procedures implemented in response to this risk</u>
<p>The Group's inventories consist of electronic components and sub-assemblies as well as finished products.</p> <p>At December 31, 2021, inventories were recognized in the balance sheet at a net carrying amount of €40.9 million, or 25% of total assets.</p> <p>An impairment loss is recognized whenever the acquisition value of inventory is greater than its probable realizable value less costs to sell.</p> <p>Impairment testing is carried out at each accounting cut-off and probable realizable value is calculated on the basis of observed and expected product sales and market prices.</p> <p>As part of our audit, we paid particular attention to how this probable realizable value was determined, since it is based not only on observable data such as products' market prices but also on assumptions such as prospective sales for each product range and management judgment in relation to expected market trends.</p> <p>Given the assumptions underpinning estimates, we considered measurement of the probable realizable value of products held in inventory to be a key audit matter.</p>	<p>We:</p> <ul style="list-style-type: none"> - tested the measurement of items in inventory by carrying out sample-based comparisons with cost prices; - familiarized ourselves with processes in place to identify slow-moving items, those at risk of obsolescence and those whose selling prices were lower than their acquisition cost; - checked that items at risk of impairment had been correctly measured, notably by undertaking sample-based comparisons of the cost of products held in inventory with their last known net selling price; - took into account work undertaken as part of the review of development costs so as to identify, where applicable, indicators of impairment on certain products held in inventory. <p>We also assessed the appropriateness of the information provided in the following notes to the consolidated financial statements: 5.4.9, "Inventories and work in progress", 5.7.5, "Inventories" and 5.8.2, "Additions to amortization, depreciation and impairment".</p>

Specific checks

In accordance with professional standards applicable in France, we have also carried out specific checks required by legislation and regulations on the information about the group set out in the Board's management report.

We have no comments as to the accuracy of this information or its consistency with the consolidated financial statements.

Other checks and information required by legislation and regulations

Presentation format of the consolidated financial statements included in the annual financial report

In accordance with professional standards governing statutory auditors' duties in respect of parent company and consolidated financial statements presented in the European Single Electronic Format, we have also checked that the presentation of the consolidated financial statements included in the annual financial report referred to in section I of Article L.451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chairman and Chief Executive Officer, complies with this format as defined in Commission Delegated Regulation (EU) 2019/815 of December 17, 2018. With regard to the consolidated financial statements, our duties include checking that these financial statements are tagged in the format defined in the aforementioned regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements included in the annual financial report complies in all material respects with the European Single Electronic Format.

Appointment of statutory auditors

We were appointed statutory auditors of Guillemot Corporation at the shareholders' general meetings of May 26, 2004 (PricewaterhouseCoopers Audit) and May 23, 2007 (MB Audit).

At December 31, 2021, PricewaterhouseCoopers Audit was serving for its eighteenth consecutive year and MB Audit for its fifteenth consecutive year, 18 and 15 years respectively since the Company's shares were admitted to trading on a regulated market.

Responsibility of management and persons charged with corporate governance as regards the consolidated financial statements

It falls to management to draw up consolidated financial statements that provide a true and fair view in accordance with IFRS as adopted within the European Union, as well as to put in place such internal control arrangements as it deems necessary to be able to prepare consolidated financial statements free from material misstatement, whether as a result of fraud or error.

In preparing the consolidated financial statements, it falls to management to assess the Company's ability to continue to operate, to present in its financial statements any required information pertaining to continuity of operations, and to apply the going concern accounting principle, unless it is planned to wind up the Company or cease operations.

It falls to the audit committee to monitor the process of preparing financial information and the effectiveness of internal control and risk management systems, as well as, where applicable, internal audit in respect of procedures for preparing and processing accounting and financial information.

The consolidated financial statements were signed off by the Board of Directors.

Statutory auditors' responsibility as regards audit of the consolidated financial statements

Audit objective and approach

It falls to us to draw up a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole are free of material misstatement. Reasonable assurance means a high level of assurance, though there is no guarantee that an audit carried out in accordance with standards of professional practice will always detect every material misstatement. Misstatements may be the result of fraud or error; they are considered material whenever, taken individually or together, they might reasonably be expected to influence decisions made by the users of the financial statements on the basis of the latter.

As stipulated in Article L.823-10-1 of the French Commercial Code, our duty to certify the financial statements does not consist of guaranteeing either the Company's viability or the quality of its management.

In the case of an audit conducted in accordance with standards of professional practice applicable in France, the statutory auditors must exercise their judgment throughout the audit.

Furthermore:

- They must identify and assess the risk that the financial statements might include material misstatements, whether as a result of fraud or error, draw up and implement audit procedures in response to that risk, and gather information they consider a sufficient and appropriate basis for their opinion. The risk of failing to detect a material misstatement resulting from fraud is greater than that of failing to detect a material misstatement resulting from error, since fraud may entail collusion, falsification, deliberate omission, misrepresentation, or the bypassing of internal control.
- They must familiarize themselves with internal control arrangements relevant to the audit so as to be able to define suitable audit procedures (and not so as to express an opinion on the effectiveness of internal control).
- They must assess the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as information concerning such policies and estimates provided in the consolidated financial statements.

- They must assess the appropriateness of management's use of the going concern accounting principle and, based on the information gathered, determine whether there is significant uncertainty linked to events or circumstances that could call into question the company's ability to continue operations. This assessment is based on information gathered up to the date of the auditors' report; it should, however, be borne in mind that subsequent circumstances or events could jeopardize continuity of operation. If the auditors conclude that there is significant uncertainty, they must draw the attention of readers of their report to disclosures in the consolidated financial statements about that uncertainty or, if such disclosures are not made or are not relevant, issue a qualified certification or refuse to qualify the financial statements.
- They must assess the overall presentation of the consolidated financial statements and determine whether they provide a true and fair view of the underlying transactions and events.
- As regards financial information on persons or entities falling within the scope of consolidation, they must gather whatever information they consider a sufficient and appropriate basis for expressing an opinion on the consolidated financial statements. They are responsible for overseeing, supervising and conducting the audit of the consolidated financial statements, as well as for the opinion expressed on those financial statements.

Report to the audit committee

We submit a report to the audit committee setting out, in particular, the extent of our audit and the program of work carried out, as well as our audit findings. We also advise the audit committee of any significant weaknesses in internal control we may have identified pertaining to procedures for preparing and processing accounting and financial information.

Our report to the audit committee includes information about the risk of material misstatements, which we consider most significant for the audit of the consolidated financial statements for the year and which, as such, constitute key audit matters which it is our responsibility to describe in this report.

We also provide the audit committee with the declaration laid down in Article 6 of Regulation (EU) No 537-2014 confirming our independence, within the meaning of rules applicable in France as laid down, in particular, in Articles L.822-10 to L.822-14 of the French Commercial Code and in the code of professional ethics for statutory auditors. Where applicable, we discuss with the audit committee our independence and the measures put in place to safeguard it.

Nantes and Bruz, April 25, 2022

The statutory auditors

PricewaterhouseCoopers Audit	MB Audit
Gwenaël Lhuissier	Khadija Roullé

➤ PARENT COMPANY FINANCIAL STATEMENTS TO DECEMBER 31, 2021

All figures are in thousands of euros (€k).

1. BALANCE SHEET

ASSETS	Gross	Amort'n/deprec'n/impair't	Net	Net
(€k)	Dec 31, 2021	Dec 31, 2021	Dec 31, 2021	Dec 31, 2020
Intangible assets	26,037	10,282	15,755	14,407
Property, plant and equipment	8,874	6,557	2,317	1,611
Non-current financial assets	44,075	34,858	9,217	7,688
Non-current assets	78,986	51,697	27,289	23,706
Inventories and work in progress	38,397	2,271	36,126	17,351
Advances and progress payments	4,412	0	4,412	1,641
Trade receivables	50,697	793	49,904	24,175
Other receivables	1,780	580	1,200	1,077
Investment securities	7,306	0	7,306	7,124
Cash at bank and in hand	9,301	0	9,301	26,237
Current assets	111,893	3,644	108,249	77,605
Accrued and deferred items	1079	0	1,079	1,563
TOTAL ASSETS	191,958	55,341	136,617	102,874

LIABILITIES AND EQUITY

(€k)	Dec 31, 2021	Dec 31, 2020
Share capital	11,771	11,771
Issue, conversion and merger premiums	10,633	10,633
Reserves	18,694	6,754
Retained earnings	0	-1,934
Net income for the year	28,046	17,692
Shareholders' equity	69,144	44,916
Provisions	1,071	1,243
Borrowings	4,574	8,962
Trade payables	41,802	33,013
Taxes and social security payable	1,762	3,151
Payables to fixed asset suppliers	21	84
Other liabilities	8,863	6,798
Total liabilities	57,022	52,008
Accrued and deferred items	9,380	4,707
TOTAL LIABILITIES AND EQUITY	136,617	102,874

2. INCOME STATEMENT

(€k)	Dec 31, 2021	Dec 31, 2020
Turnover	168,762	109,418
Production taken into inventory	14,581	850
Self-constructed assets	3,307	2,377
Write-backs of amortization, depreciation and provisions and transfers of expenses	2,486	1,250
Other income from ordinary activities	1,860	2,008
Total operating income	190,996	115,903
Purchases	97,788	55,687
Changes in inventory	-3,966	-1,281
External expenses	46,792	28,922
Taxes and duties	344	404
Employee expenses	354	401
Other expenses	14,504	9,456
Additions to amortization and depreciation	2,513	2,123
Impairment and provisions	2,263	2,597
Total operating expenses	160,592	98,309
Net operating income	30,404	17,594
Income from equity interests	67	336
Net income from disposals of investments	224	369
Other interest and related income	30	33
Reversals of provisions and transfers of expenses	1,585	58
Foreign currency translation gains	208	66
Total financial income	2,114	862
Additions to amort'n, deprec'n & prov'ns on financial items	56	74
Interest and related expenses	85	117
Foreign currency translation losses	80	577
Net expenses on disposals of investment securities	7	31
Total financial expenses	228	799
Net financial income	1,886	63
Net income (loss) from ordinary activities	32,290	17,657
Net non-recurring income (expense)	-226	2,956
Profit (loss) before tax	32,064	20,613
Corporate income tax	-4,018	-2,921
Net profit (loss) for the year	28,046	17,692

3. INTERIM MANAGEMENT FIGURES

The main interim management figures are as follows:

(€k)	Dec 31, 2021	Dec 31, 2020
Production in the year	186,651	112,645
Value added	46,037	29,317
Earnings before interest, tax, depreciation and amortization	45,339	28,512
Net operating income (loss)	30,404	17,594

4. STATEMENT OF CASH FLOWS

Cash flows from operating activities (€k)	Dec 31, 2021	Dec 31, 2020
Net profit (loss)	28,046	17,692
Additions to amort'n, deprec'n, impair't and prov'ns (1)	5,053	5,948
Reversals of amort'n, deprec'n, impair't and prov'ns (1)	-3,962	-5,186
Capital gains (losses) on disposals	0	0
Cash generated from operations	29,137	18,454
Change in operating cash requirement	-38,041	11,226
Change in non-operating cash requirement	5,154	2,511
Change in working capital	-32,887	13,737
Cash flows from investing activities		
Acquisitions of intangible assets	-3,317	-2,377
Acquisitions of property, plant and equipment	-1,470	-806
Disposals of property, plant and equipment and intangible assets	0	0
Acquisitions of non-current financial assets	-35	-232
Disposals of non-current financial assets	20	52
Net cash from acquisitions and disposals of subsidiaries	0	0
Total cash flows from investing activities	-4,802	-3,363
Cash flows from financing activities		
Increases in capital and capital injections	0	0
Dividends paid	-3,818	0
Borrowings	0	0
Repayments of borrowings	-4,395	-3,620
Repayments of shareholders' current accounts		0
Total cash flows from financing activities	-8,213	-3,620
Change in cash	-16,765	25,208
Net cash at the beginning of the period (2)	33,353	8,145
Net cash at the end of the period (2)	16,588	33,353

(1) Excludes additions to and reversals of impairment losses on available-for-sale securities.

(2) Includes net amount of available-for-sale securities.

5. NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

The following notes and tables, presented in thousands of euros (€k), form an integral part of the parent company financial statements and constitute the notes to the balance sheet before appropriation of income for the fiscal year ended December 31, 2021. Total assets stood at €136,617k. The income statement showed a profit of €28,046k.

The fiscal year covered the 12-month period from January 1 to December 31, 2021.

5.1 Significant events in the year

Full-year turnover climbed 54% to €168,762k.

Net income from ordinary activities came in at €30,404k, compared with €17,594k in the year ended December 31, 2020.

The Company's business performance is shaped by a range of factors in a complex economic, logistical and public health environment.

The Company worked hard to:

- maintain a good level of production throughout the year despite pressure on components and ensure that the supply chain continued to run smoothly;
- maximize sales of standard product ranges and successfully launch and establish key new Thrustmaster and Hercules products (particularly the *T248* racing wheel, the *TCA Yoke Pack Boeing Edition* and the *DJControl Mix*), resulting in significantly higher consumer sales in the run-up to the year-end;
- ship volume direct to major customers, in particular leading global e-tailers, thus better anticipating consumer demand;
- respond to rising logistics costs from the summer onward by making moderate price adjustments without adversely affecting competitiveness.

Net financial income totaled €1,886k, compared with €63k in the prior year.

This mainly consists of €1,549k in respect of a write-back of impairment losses on equity investments in the Guillemot Inc. (Canada) subsidiary, €67k in dividends received from the Guillemot Srl (Italy) subsidiary and €217k in income from disposals of treasury shares.

The Company posted a net non-recurring expense of €226k, mainly consisting of €220k in exceptional write-downs of development and material costs.

Net income totaled €28,046k, compared with €17,692k a year earlier.

Net debt at December 31, 2021 was negative at -€9,949k, compared with -€22,414k a year earlier.

Key events in 2021 are set out below.

Thrustmaster

- **Flying/joysticks**: 2021 was a particularly innovative year for flying accessories. Thrustmaster teamed up with Boeing to design new *Thrustmaster Civil Aviation* peripherals. Following an initial collaboration with the well-known American manufacturer, Thrustmaster injected fresh momentum into this prestigious partnership by developing three new products for Xbox® and PC: the *TCA Yoke Pack Boeing Edition*, the *TCA Quadrant Boeing Edition* and the *TCA Yoke Boeing Edition*.
- **Racing wheels**: Thrustmaster supported its official drivers in more eSports competitions over the period while continuing to sponsor its partners' global events. The success of the *T248* racing wheel for PlayStation®5, launched in partnership with a number of game developers, generated unprecedented sales momentum. The Xbox One version of the *T248* will be launched this spring.
- **Gamepads**: the gamepad range performed very well in the United States, where it occupies a unique high-end position. Increasingly recognized by ranked players, the range will be expanded in 2022 to maximize its potential.

Hercules

Hercules also enjoyed very strong momentum despite some pressure on deliveries to the US and European markets. In mid-November, Hercules unveiled its *DJControl Mix* controller for smartphones, in association with Algoriddim djay, one of the world's most popular DJ apps. This ultra-compact turntable is easy to take anywhere, making it ideal for DJs wanting to unleash their creativity at impromptu parties.

In January, Hercules announced the limited edition *DJControl Inpulse 500 White Edition*. Always keen to stand out from the crowd and build closer ties with its community, Hercules is now offering this new premium bundle in a white edition.

Impact of Covid-19

With lockdowns and stay-at-home measures heightening interest in video games and demand for specialized accessories, the public health situation had little impact on the Company. However, 2021 was marked by supply chain pressures and shortages of electronic components and raw materials.

5.2 Accounting principles

The Guillemot Corporation S.A. parent company financial statements have been drawn up in accordance with ANC Regulation 2016-07 of November 4, 2016 amending Regulation 2014-03 of June 5, 2014 on the French general chart of accounts. Property, plant and equipment and intangible assets have been tested for impairment in accordance with the guidelines laid down in Articles 214-15 and 214-19 of the French general chart of accounts.

Generally accepted accounting principles have been applied, in keeping with the principle of prudence, in accordance with the following basic assumptions:

- Going concern basis
- Consistency of accounting policies from one accounting period to the next
- Use of the accruals concept

The accounting principles adopted also comply with general rules governing the preparation and presentation of the annual financial statements.

The basic method used to measure items recognized in the financial statements is the historical cost method.

5.3 Accounting principles and policies

5.3.1 Intangible assets

Goodwill

Goodwill includes all intangible items (customers, market share, expertise, etc.) acquired by the Company enabling it to carry on its business and continue to expand.

The present value of goodwill is reviewed at each balance sheet date by comparing market value with value in use.

Market value is the amount that could be obtained by selling an asset in an arm's length transaction. Value in use is determined on the basis of expected cash flows.

Goodwill is impaired if the carrying amount is greater than the higher of market value and value in use.

Brands

Brands acquired by the Company have an indefinite life.

Brands acquired by the Company are tested for impairment at each balance sheet date. An impairment loss is recognized if their net carrying amount is greater than the higher of market value and value in use at the balance sheet date.

In the absence of a deep market for brands in the Company's industry sector, market values are not used. That being the case, the present value of brands increases in line with the present value of future cash flows expected from the asset in question.

Research and development costs

Research costs are expensed as incurred.

Development costs are determined in accordance with the CNC opinion of April 1987, and must also comply with CRC Regulation 2004-06. According to the French general chart of accounts, this means the Company's development costs must meet all criteria in relation to the following:

- Technical feasibility of completing the intangible asset before it can be used or sold
- Intention to complete the intangible asset and use or sell it
- Ability to use or sell the intangible asset
- How the intangible asset will generate probable future economic benefits
- Availability of adequate technical, financial and other resources to complete the project
- Development and use or sale of the intangible asset
- Ability to reliably measure expenses attributable to the intangible asset during its development

Development costs are amortized over the useful life of the asset in question, with the proviso that the amortization period may not in any event exceed five years.

Patents and software

Patents and software are amortized over their actual useful life.

5.3.2 Property, plant and equipment

Property, plant and equipment are recognized at historical cost. Depreciation rates are based on the probable useful life of each asset, as follows:

- Buildings: 10-20 years on a straight-line basis
- Fixtures: 1-20 years on a straight-line basis
- Plant: 1-10 years on a straight-line basis

5.3.3 Non-current financial assets

Securities in the securities portfolio are measured at cost, excluding incidentals.

The balance sheet value of each investment is assessed on the basis of the share of the Company's net assets and future outlook. Where this value is less than the recorded value, an impairment loss is recognized for the difference.

The fair value of financial assets is the average price over the last month in the period for listed securities. Where balance sheet value is lower than purchase cost, an impairment loss is recognized.

5.3.4 Inventories and work in progress

Inventories and work in progress are measured on the basis of cost of supply. The gross amount of such inventories includes their purchase price and any incidentals.

Inventory is measured using the first in, first out (FIFO) method.

An impairment loss is recognized whenever the acquisition cost of inventory is greater than its market value.

Borrowing costs are always excluded from inventory valuations. An impairment loss is recognized whenever the value of inventory is greater than its probable realizable value less costs to sell. Impairment testing is carried out annually and probable realizable value is calculated on the basis of observed and expected sales performance and market prices. The Company uses a number of indicators to analyze products that might potentially be at risk: rotation rates, sales, inventory levels, gross profit margin, open orders, business outlook, return requests, market share, competitor products, etc. Products are mainly analyzed individually so as to identify the risk of impairment as accurately as possible.

5.3.5 Advances and progress payments

Advances and progress payments consist of prepayments made to suppliers in connection with orders.

Licenses relate to distribution and reproduction rights acquired from third parties. License agreements may give rise to the payment of guaranteed amounts.

These amounts are recognized in a prepayments and accruals account and expensed as and when products are sold. Where amounts are not recognized in full, an off-balance-sheet liability is recognized for the outstanding amount.

At each balance sheet date, the amount yet to be expensed is compared with prospective sales and an additional expense is recognized if necessary.

5.3.6 Trade receivables

Trade receivables are measured at nominal value. Receivables are impaired whenever their balance sheet value falls below their carrying amount.

5.3.7 Current account advances

Current account advances to subsidiaries are impaired whenever the subsidiary's net position falls below the balance sheet value of the investment.

5.3.8 Translation of payables and receivables

Foreign currency receivables and payables not hedged using futures or options are translated into euros at the closing exchange rate. The resulting translation adjustment is recognized in a specific balance sheet item. A provision for liabilities is set aside if translation of foreign currency items results in unrealized losses.

Foreign currency translation adjustments relating to trade receivables and payables (whether provisioned or actual) are recognized in net income from ordinary activities. Foreign currency translation adjustments relating to financial receivables and payables (whether provisioned or actual) are recognized in net financial income.

5.3.9 Investment securities

Shares are measured at their average market price over the last month in the period.

An impairment loss is recognized in respect of any unrealized losses.

Treasury shares held under a share buyback program in accordance with the provisions of Articles L.22-10-62ff. of the French Commercial Code are recognized under investment securities.

5.3.10 Cash at bank and in hand

Cash at bank and in hand consists of bank account balances. Foreign currency bank balances are translated into euros at the closing rate and translation adjustments are included in net financial income.

5.3.11 Provisions

Provisions for translation losses on foreign currency trade receivables and payables are recognized in net income from ordinary activities. Provisions on financial receivables and payables are recognized in net financial income (in accordance with ANC Regulation 2015-05).

A provision is recognized whenever the Company has a present obligation (whether legal or implied) resulting from a past event, it is probable that an outflow of resources will be necessary to settle the obligation, and the amount of the obligation can be reliably estimated.

This item also includes provisions for liabilities relating to trade disputes as well as provisions for loss of income on unsold products returned.

5.3.12 Borrowings

Borrowings are initially recognized in the balance sheet at fair value. Borrowing costs are expensed as incurred.

5.3.13 Recognition of income

All turnover is measured at the fair value of the consideration received or due, taking into account the amount of any trade discounts or volume rebates granted by the Company. Product sales are recognized and considered permanent at the delivery date, which corresponds to the date on which the associated risks and rewards are transferred to the buyer. All products sold by the Company are covered by a statutory two-year

warranty against defects. In some cases, the warranty obligation is transferred to the customer in exchange for a discounted purchase price. In other cases, the warranty obligation is deducted from turnover based on an analysis undertaken by the Company. This analysis takes into account, in particular, sales volumes, the average time taken to return defective products, and management judgment.

Furthermore, under its terms and conditions of sale, the Company does not agree to take back unsold goods. In practice, where such agreement is given, the associated cost is deducted from turnover based on actual product returns accepted at the balance sheet date. In cases where management expects additional product returns relating to past sales, the obligation to take back returned products is recognized in provisions for liabilities and charges in the form of a provision for loss of income.

5.3.14 Segment information

Segment information by business area covers the Hercules and Thrustmaster business segments. Segment information by geographical region is based on the following geographical segments: European Union, North America and Other.

5.3.15 Uncertainty over valuations

In preparing the financial statements, the Company must make certain critical accounting estimates. Management is also required to exercise judgment when applying the Company's accounting policies. Those areas involving the greatest degree of judgment or complexity, and those requiring assumptions and estimates that are material relative to the financial statements, are described in the notes to the financial statements and primarily relate to the recoverable amount of intangible assets and inventories and to discounts on sales.

5.4 Notes to the balance sheet

5.4.1 Intangible assets

Intangible assets are broken down as follows:

Gross amounts	Dec 31, 2020	Increases	Decreases	Dec 31, 2021
Research and development costs	9,625	2,699	1,185	11,139
Brands and goodwill	11,782	0	0	11,782
Concessions, patents, licenses, brands and software	364	210	0	574
Intangible assets under construction	2,268	3,307	3,033	2,542
TOTAL	24,039	6,216	4,218	26,037

Accumulated amortization and impairment	Dec 31, 2020	Increases	Decreases	Dec 31, 2021
Research and development costs	7,403	1,790	1,185	8,008
Brands and goodwill	1,941	0	0	1,941
Concessions, patents, licenses, brands and software	288	45	0	333
TOTAL	9,632	1,835	1,185	10,282

Net amounts	Dec 31, 2020	Dec 31, 2021
Research and development costs	2,222	3,131
Brands and goodwill	9,841	9,841
Concessions, patents, licenses, brands and software	76	241
Intangible assets under construction	2,268	2,542
TOTAL	14,407	15,755

Development costs

Development costs consist of all work undertaken by research and development teams to provide the technical components needed for production. These may include employee expenses, external costs such as design, mock-up and prototype costs, samples and workshop testing costs.

Project eligibility is reviewed quarterly by the finance and technical departments, in agreement with senior management. Project development costs are recognized in assets if they meet all six eligibility criteria laid down in CRC Regulation 2004-06. The corresponding expenses are debited to “Intangible assets under construction” and credited to “Self-constructed assets”.

Assets are transferred from assets under construction to development costs when released into production. A total of €2,699k was transferred to development costs in 2021.

The following Guillemot Corporation subsidiaries generate development costs: Hercules Thrustmaster SAS, Guillemot Recherche & Développement Inc., Guillemot Romania Srl and Guillemot Corporation (HK) Ltd. Capitalized costs relate to all Hercules and Thrustmaster product lines. Development costs capitalized over the period totaled €3,307k.

Development costs no longer meeting the six capitalization criteria were removed from assets. Scrappage costs in relation to fully amortized projects totaled €1,318k and the cost of projects written off in the year was €133k.

Development costs are amortized over the useful life of the asset in question, which ranges from one to five years.

Brands

Brands consist of the Thrustmaster and Hercules acquired brands, which are tested for impairment at each balance sheet date and measured taking into account discounted future cash flows.

In the absence of a deep market for brands in the Company’s industry sector, the fair value method is not used when measuring brands owned by the Company.

They are instead measured using the value-in-use method, which measures the present value of future cash flows expected from an asset, i.e. from its continuing use and removal at the end of its useful life.

Hercules

The Hercules brand is allocated to the Hercules cash-generating unit (CGU).

Following impairment testing of the Hercules CGU, the value of the Hercules brand was unchanged at December 31, 2021.

The following assumptions are used to test the Hercules CGU for impairment:

- Ratio of net operating income to turnover: balanced in 2022, then around 5% positive for the following four years
- Working capital increasing steadily over the first four years then stable in the fifth year
- Five-year turnover projections taking into account forecast new product launches and the business cycle (rising 40% in 2022 and then 25% a year for the next four years)
- Long-term growth rate: 1%
- Discount rate: 11%

The Hercules brand has a net balance sheet value of €431k, compared with a purchase cost of €1,431k.

Turnover for the Hercules business declined sharply over the period 2013-2019 with the successive withdrawal of the brand’s ranges of Wi-Fi and CPL products, webcams and multimedia and wireless speakers.

Over the past few years, the business has refocused around audio and DJing products. This refocusing has required substantial investment in R&D and marketing, thus affecting profitability.

A new growth cycle began in 2020, with turnover up 59%.

Growth in 2021 came in at 19%, slowed by production delays and shortages of electronic components.

Sales of the new range of Inpulse DJ controllers released in late 2018 – which had received a very warm welcome, with the DJControl Inpulse 300 winning a CES Innovation Honoree Award at the 2019 Consumer Electronics Show (CES) in Las Vegas – grew strongly in 2020 and 2021.

New listings were secured with major retail chains, which should enable the Company to continue to expand in the DJ controller market over the coming years as the Hercules DJ community continues to grow.

The refocusing of the business around audio and DJ products, together with the increase in sales seen in 2020 and 2021, backs up the Company's assumption of double-digit growth in Hercules' turnover over the next five years.

A write-back of impairment against the Hercules brand is deemed reasonably possible if operating profitability should exceed 5% over the next five years combined with 25% year-on-year growth in turnover.

Thrustmaster

The Thrustmaster brand is allocated to the Thrustmaster CGU.

Following impairment testing of the Thrustmaster CGU, the value of the Thrustmaster brand was unchanged at December 31, 2021.

The Thrustmaster brand has a net balance sheet value of €9,410k, the same as its purchase cost.

The following assumptions are used in calculating discounted future cash flows for the Thrustmaster cash-generating unit:

- Ratio of net operating income to turnover: 15% in 2022 then 10% for each of the next four years
- Working capital increasing steadily over the first two years then stable for the following three years
- Five-year turnover projections taking into account forecast new product launches and the business cycle (rising 13% in 2022 and 10% in 2023, then holding steady)
- Discount rate: 11%

Thrustmaster has achieved global recognition and is now a key player in PC and console racing wheels and joysticks, with an installed base that continues to grow. Turnover generated by the brand in 2021, up 57%, together with record operating profitability of 20%, highlight the current strong momentum in these markets.

5.4.2 Property, plant and equipment

Property, plant and equipment is broken down as follows:

Gross amounts	Dec 31, 2020	Increases	Decreases	Dec 31, 2021
Land	219	0	0	219
Buildings and fixtures	3,105	0	0	3,105
Plant and machinery	4,558	1,249	936	4,871
Property, plant and equipment under construction	545	1,360	1,226	679
TOTAL	8,427	2,609	2,162	8,874

Depreciation	Dec 31, 2020	Increases	Decreases	Dec 31, 2021
Land	0	0	0	0
Buildings and fixtures	3,017	43	0	3,060
Plant and machinery	3,799	634	936	3,497
TOTAL	6,816	677	936	6,557

Net amounts	Dec 31, 2020	Dec 31, 2021
Land	219	219
Buildings and fixtures	88	45
Plant and machinery	759	1,374
Property, plant and equipment under construction	545	679
TOTAL	1,611	2,317

Property, plant and equipment under construction consists of production equipment in progress. The reduction in these assets is the result of a €1,139k transfer to the "Equipment" item and €87k in scrappage costs in

connection with projects written off. Purchases of equipment consist of molds used in production. The company scrapped obsolete equipment with a gross value of €936k. The net amount is nil.

5.4.3 Non-current financial assets

Gross non-current financial assets are broken down as follows:

	Dec 31, 2020	Increases	Decreases	Dec 31, 2021
Equity investments	43,751	0	0	43,751
Other non-current financial assets	305	35	20	320
Deposits and guarantees	4	0	0	4
TOTAL	44,060	35	20	44,075

Equity investments

Changes in other non-current financial assets concern the liquidity agreement currently in force and a security deposit relating to the collection and recycling of waste electrical and electronic equipment in Germany. The liquidity account had a cash balance of €311k at December 31, 2021. The security deposit relating to waste processing stands at €9k after €20k was released during the fiscal year.

Equity investments are investments in subsidiaries of Guillemot Corporation.

Equity investments	Dec 31, 2020	Additions	Reversals	Dec 31, 2021
Investments in subsidiaries				
Gross amount	43,751	0	0	43,751
Impairment	36,372	56	1,570	34,858
Net	7,379	-56	1,570	8,893

A €34,858k impairment loss has been recognized against equity investments in the Company's subsidiaries, broken down as follows:

Investments fully impaired:

- Guillemot GmbH (Germany) €15k
- Guillemot Electronic Technology (Shanghai) Co. €198k

Other investments (impaired for their net amount at Dec 31, 2021):

- Guillemot S.A. (Belgium) €184k
- Guillemot Srl (Italy) €4,886k
- Guillemot Inc. (Canada) €17,407k
- Guillemot Ltd. (United Kingdom) €12,168k

Schedule of subsidiaries

	Currency	Headquarters	Financials (€k)					Carrying amount of investment (€k)		Loans and advances granted (€k)	Guarantees given	Dividends received by Guillemot Corporation S A	Observations: impairment applied to loans and advances
			Capital	Shareholders' equity other than capital (including earnings)	% ownership	Turnover excl. tax in last fiscal year	Profit (loss) in last fiscal year						
								Gross	Net				
Hercules Thrustmaster SAS (France)	EUR	Carentoir	279	1,760	99.42%	6,662	442	288	288	-	-	-	-
Guillemot Administration et Logistique SARL (France)	EUR	Carentoir	222	1,062	99.96%	5,163	155	222	222	-	-	-	-
Guillemot Ltd. (United Kingdom)	GBP	Surrey	10,177	-10,133	99.99%	210	18	12,211	44	71	-	-	-
Guillemot SA (Belgium)	EUR	Wemmel	175	57	99.93%	0	-2	416	232	-	-	-	-
Guillemot GmbH (Germany)	EUR	Obermichelbach	511	-1,091	99.75%	569	15	15	0	774	-	-	580
Guillemot Corporation (H-K) Ltd. (Hong Kong)	HKD	Hong Kong	1	903	99.50%	2,715	124	23	23	-	-	-	-
Guillemot Recherche & Développement Inc. (Canada)	CAD	Montreal	1,154	709	99.99%	1,360	53	1,257	1,257	-	-	-	-
Guillemot Inc. (United States)	USD	Sausalito	88	90	99.99%	0	-2	8	8	-	-	-	-
Guillemot Inc. (Canada)	CAD	Montreal	33,447	-25,937	74.89%	49,496	1,553	23,032	5,624	-	-	-	-
Guillemot SRL (Italy)	EUR	Milan	10	27	100.00%	261	12	4,923	37	-	-	-	-
Guillemot Romania Srl (Romania)	RON	Bucharest	15	160	100.00%	656	35	20	20	-	-	-	-
Guillemot Spain SL (Spain)	EUR	Madrid	3	55	100.00%	267	16	3	3	-	-	-	-
Guillemot Electronic Technology (Shanghai) Co. Ltd.	RMB	Shanghai	208	-910	100.00%	6,150	-320	198	0	23	-	-	-
Guillemot Innovation Labs (France)	EUR	Carentoir	1,135	61	100.00%	647	23	1,135	1,135	-	-	-	-

5.4.4 Inventories

Inventories are broken down as follows:

Inventories	Gross Dec 31, 2020	Change in inventories (outcome)	Gross Dec 31, 2021
Packaging materials in inventory	16	-11	27
Finished products	16,287	14,581	30,868
Raw materials and work in prog	3,547	-3,955	7,502
TOTAL	19,850		38,397

Impairment	Gross Dec 31, 2020	Increases	Decreases	Gross Dec 31, 2021
Packaging materials in inventory	0	0	0	0
Finished products	1,869	598	941	1,526
Raw materials and work in progress	630	191	76	745
TOTAL	2,499	789	1,017	2,271

Total net inventories	17,351	36,126
------------------------------	---------------	---------------

Inventories consist of electronic components and sub-assemblies as well as finished products. An impairment loss is recognized whenever the value of inventory is greater than its market value.

The Company's total net inventories at December 31, 2021 had risen sharply compared with the position at December 31, 2020. This increase was a result of strong business growth in the year and the need for the Company to build up inventories in advance due to supply shortages in electronic components and supply chain issues. Impairment in the year mainly related to products in the Thrustmaster range.

5.4.5 Advances and progress payments

Advances and progress payments consist of prepayments on orders paid to suppliers. Prepayments totaled €4,412k at the year-end. The increase in advances and progress payments was the result of supply shortages requiring the Company to make advance payments to key suppliers.

5.4.6 Trade receivables

Trade receivables are broken down as follows:

	Gross Dec 31, 2021	Impairment Dec 31, 2021	Net Dec 31, 2021	Net Dec 31, 2020
Trade receivables	50,697	793	49,904	24,175
TOTAL	50,697	793	49,904	24,175

At December 31, 2021, the majority (95%) of trade receivables were covered by a credit insurance policy. Trade receivables totaled €49,904k at December 31, 2021, compared with €24,175k a year earlier. This increase was driven by strong sales growth over the fourth quarter of 2021 (with turnover up 81%) and the extension of payment terms as a result of supply chain disruption throughout 2021.

5.4.7 Receivables and payables

Receivables and payables are broken down as follows:

RECEIVABLES MATURITY SCHEDULE	At Dec 31, 2021		
	Gross amount	< 1 yr	> 1 yr
Operating receivables			
Amounts receivable from suppliers	8	8	0
Trade receivables	50,697	50,697	0
Government (VAT credits, sundry)	927	927	0
Group and affiliates	845	0	845
Prepaid expenses	836	836	0
TOTAL	53,313	52,468	845

Current account advances totaling €845k consist of €774k to Guillemot GmbH (Germany) and €71k to Guillemot Ltd. (United Kingdom). Government receivables mainly consist of VAT receivables.

PAYABLES MATURITY SCHEDULE	At Dec 31, 2021		
	Gross amount	< 1 yr	> 1 yr
Borrowings from credit institutions	4,499	3,685	814
Bond issue	0	0	0
Medium-term bank loans	56	0	56
Bank overdrafts and foreign currency advances	19	19	0
Trade payables	41,802	41,802	0
Taxes and social security payable	1,762	1,762	0
Other liabilities	6,779	6,779	0
Payables to fixed asset suppliers	21	21	0
Group and affiliates	2,084	0	2,084
TOTAL	57,022	54,068	2,954
Borrowings taken out during the period	0		
Reduction in borrowings via conversion of bonds	0		
Reduction in borrowings via repayment	4,395		
Debts owed to individuals	0		

At the year-end, Guillemot Corporation S.A. had fixed-rate borrowings from financial institutions totaling €4,499k.

The Company repaid borrowings of €4,395k over the period.

At December 31, 2021, the Company had no bank borrowings in currencies other than euro.

Medium-term bank loans totaling €56k correspond to security deposits in connection with leases.

Current account advances granted by Guillemot Recherche & Développement Inc. (Canada) and Guillemot Innovation Labs SAS (France) total €983k and €1,101k respectively.

	Dec 31, 2021	Dec 31, 2020
<i>Borrowings</i>		
Bond issue	0	0
Borrow ings and debts w ith credit institutions	4,518	8,906
Borrow ings and financial liabilities	56	56
Current account advances	2,084	1,985
	6,658	10,947
<i>Cash at bank and in hand</i>		
Net investment securities	7,306	7,124
Cash at bank and in hand	9,301	26,237
	16,607	33,361
Net debt	-9,949	-22,414

The Company's net debt position is negative at -€9,949k.

5.4.8 Investment securities

This item includes 36,040 treasury shares with a net value of €539k. The Company also owns 443,874 Ubisoft Entertainment S.A. shares, representing 0.35% of the share capital, with a purchase cost of €6,767k.

	Gross Dec 31, 2021	Impairment Dec 31, 2021	Net Dec 31, 2021	Net Dec 31, 2020
Investment securities	6,767	0	6,767	6,767
Treasury shares	539	0	539	357
TOTAL	7,306	0	7,306	7,124

The balance sheet value of treasury shares and Ubisoft Entertainment S.A. shares totaled €553k and €18,792k at the year-end respectively.

5.4.9 Cash at bank and in hand

	Dec 31, 2021	Dec 31, 2020
Cash at bank and in hand	9,301	26,237
Bank loans and overdrafts	-19	-9
Net bank balance	9,282	26,228

5.4.10 Accrued and deferred items

Assets

	Dec 31, 2021	Dec 31, 2020
Prepaid expenses	836	1,088
Deferred expenses	0	0
Bond redemption premiums	0	0
Foreign currency translation losses	243	475
TOTAL	1,079	1,563

Prepaid expenses mainly consist of components, licenses not issued and services not delivered at December 31, 2021.

Foreign currency translation losses mainly arise when calculating the present value of foreign currency payables at the closing exchange rate. A provision has been set aside for unrealized losses.

Liabilities

	Dec 31, 2021	Dec 31, 2020
Prepaid income	8,772	4,000
Foreign currency translation gains	608	707
TOTAL	9,380	4,707

Prepaid income consists of products not shipped at December 31, 2021.

Foreign currency translation gains mainly arise when calculating the present value of foreign currency receivables.

5.4.11 Accrued income

	Dec 31, 2021	Dec 31, 2020
Credit notes receivable from suppliers	7	180
Unbilled revenue from customers	4	410
TOTAL	11	590

5.4.12 Accrued expenses

	Dec 31, 2021	Dec 31, 2020
Interest on borrowings and financial liability	21	15
Accrued customer invoices	30,953	21,388
Accrued supplier credit notes	1,715	1,770
Taxes and social security payable	376	428
Accrued expenses	4,638	2,927
TOTAL	37,703	26,528

5.4.13 Information about related companies

Equity investments €43,751k

Gross current assets

Trade receivables €16,729k
Advances and progress payments €22k
Current account advances €845k

Gross payables

Trade payables €6,406k
Current account advances €2,084k

Financial income €91k
Financial expenses €21k

Transactions with related companies are entered into at arm's length.

5.4.14 Provisions and impairment

Provisions	At Dec 31, 2020	Increases	Decreases		At Dec 31, 2021
			Used	Unused	
For foreign exchange risk	475	243	475	0	243
For product returns	768	828	768	0	828
Total	1,243	1,071	1,243	0	1,071

Provisions for exchange rate risk arise when updating foreign currency receivables and payables using the year-end exchange rate. The increase in the provision for product returns was the result of updating estimates of the number of products returned.

Accumulated impairment	At Dec 31, 2020	Increases	Decreases	At Dec 31, 2021
Non-current financial assets	36,372	56	1,570	34,858
Other non-current financial assets	0	0	0	0
Inventories	2,499	789	1,017	2,271
Trade receivables	505	403	115	793
Intangible assets	1,941	0	0	1,941
Other impairment	596	0	16	580
Total	41,913	1,248	2,718	40,443

Impairment of inventories relates to products in both the Hercules and Thrustmaster ranges. The Company has recognized impairment losses against its subsidiaries for the amount of their net positions, taking into consideration the prospect of recovering those assets (€34,858k in equity investments and €580k in current account advances).

Impairment of trade receivables mainly consists of €728k in respect of the Guillemot Electronic Technology (Shanghai) Co. Ltd. subsidiary.

The Company has recognized impairment of €1,000k against the Hercules brand and €941k against goodwill.

5.4.15 Share capital

	Number of shares	Par value	Amount
At Dec 31, 2020	15,287,480	0.77	11,771,359.60
Exercise of stock options	0	0.77	0.00
Reduction in capital through retirement of treasury shares	0	0.77	0.00
At Dec 31, 2021	15,287,480	0.77	11,771,359.60

The share capital consists of 15,287,480 shares with a par value of €0.77 each.

Treasury shares account for 0.24% of the total share capital.

Statement of changes in equity

(€k)	Balance before appropriation of income for fiscal year to Dec 31, 2020	Appropriation of income for fiscal year to Dec 31, 2020	After appropriation of income for fiscal year to Dec 31, 2020	Dividends paid	Earnings in fiscal year to Dec 31, 2021	Balance at Dec 31, 2021
Share capital	11,771	0	11,771	0	0	11,771
Issue and conversion premiums	10,514	0	10,514	0	0	10,514
Merger premiums	119	0	119	0	0	119
Legal reserve	645	532	1,177	0	0	1,177
Other reserves	6,109	11,408	17,517	0	0	17,517
Retained earnings	-1,934	1,934	0	0	0	0
Associates – dividends payable	0	3,818	3,818	-3,818	0	0
Earnings	17,692	-17,692	0	0	28,046	28,046
TOTAL	44,916	0	44,916	-3,818	28,046	69,144

Maximum potential number of shares to be created:

Via exercise of options: 193,950

Stock option plans in force:

Plan no. 11	
Date of Board meeting	Dec 3, 2021
Number of shares	193,950
Par value	0.77 €
Subscription price	14.44 €
Exercise date	From Dec 3, 2023 to Dec 3, 2031
Number of shares subscribed	0
- o/w during fiscal year 2021	0
Stock options cancelled or lapsed	0
Stock options outstanding	193,950
Options available for exercise at Dec 31, 2021	193,950

The first ten stock option plans have all lapsed.

5.4.16 Advances and loans granted to senior executives

No loans or advances were granted to senior executives of the Company, in accordance with Article L.225-43 of the French Commercial Code.

5.5 Notes to the income statement

5.5.1 Breakdown of turnover

The Hercules business segment includes the following product ranges: DJ controllers, DJ speakers, DJ headphones and DJ software.

The Thrustmaster business segment includes the following gaming accessories for PCs and consoles: racing wheels, gamepads, joysticks and gaming headsets.

By geographical region (€k)	Dec 31, 2021	Dec 31, 2020
European Union	97,933	62,451
North America	41,174	26,237
Other	29,655	20,730
TOTAL	168,762	109,418

By segment (€k)	Dec 31, 2021	Dec 31, 2020
Thrustmaster	159,460	101,580
Hercules	9,302	7,838
TOTAL	168,762	109,418

Turnover from French customers totaled €16,088k in 2021, equating to 10% of total turnover.

5.5.2 Production taken into inventory

Production taken into inventory is as follows:

	Dec 31, 2021	Dec 31, 2020
Production taken into inventory	14,581	850
Total	14,581	850

5.5.3 Self-constructed assets

Self-constructed assets are as follows:

	Dec 31, 2021	Dec 31, 2020
Self-constructed assets	3,307	2,377
Total	3,307	2,377

Costs associated with projects meeting the specified capitalization criteria are capitalized. Transfers from expenditure to "Intangible assets under construction" with effect from the date on which the capitalization criteria are met gave rise to operating income from ordinary activities totaling €3,307k in the fiscal year.

5.5.4 Other operating income from ordinary activities

	Dec 31, 2021	Dec 31, 2020
Reversals of impairment and provisions	2,377	1,025
Transfers of expenses	109	225
Other income	1,860	2,008
Total	4,346	3,258

Reversals of impairment losses and provisions mainly consist of €1,017k in respect of inventories, €116k in respect of trade receivables, a €768k write-back of a provision for product returns and a €476k write-back of a provision for unrealized foreign exchange losses on trade receivables and payables. Transfers of expenses totaling €109k consist of expenses rebilled to third parties and subsidiaries (€68k) and insurance benefits received (€40k).

Other income mainly consists of revenue from property leases (€224k) and foreign exchange gains on trade receivables and payables (€1,508k).

5.5.5 Purchases consumed

	Dec 31, 2021	Dec 31, 2020
Purchases of goods for resale	0	0
Purchases of raw materials	97,788	55,687
Changes in inventory	-3,966	-1,281
Total	93,822	54,406

5.5.6 Other expenses from ordinary activities

Other expenses from ordinary activities are broken down as follows:

	Dec 31, 2021	Dec 31, 2020
Other purchases and external expenses	46,792	28,922
Other expenses	14,504	9,456
Total	61,296	38,378

Other external expenses mainly consist of the following:

- Transportation costs totaling €8,530k
- Subsidiary subcontracting costs totaling €16,215k
- Marketing and advertising expenses totaling €12,587k
- Development costs not meeting the capitalization criteria, permanently recognized in expenses for a total of €3,851k in respect of 2021

Other expenses from ordinary activities mainly consist of licensing fees totaling €12,211k, compared with €7,893k in the year to December 31, 2020. Operating licenses are expensed as and when the licensed products are sold. The main amounts under the "Licenses" item relate to current partnerships in connection with Microsoft® and Sony® consoles.

The Company recognized €171k of unrecoverable receivables more than three years old and fully impaired at December 31, 2021.

Foreign exchange losses on trade receivables and payables totaled €2,017k.

The Company paid the directors a total of €105k in the fiscal year in respect of their duties.

5.5.7 Employee expenses

	Dec 31, 2021	Dec 31, 2020
Wages and salaries	273	309
Social security contributions	81	92
Total	354	401

At December 31, 2021, the workforce consisted solely of the executive directors, whose total gross compensation in respect of their executive duties came to €291k.

5.5.8 Additions to amortization, depreciation, impairment and provisions

	Dec 31, 2021	Dec 31, 2020
Amortization of intangible assets	1,835	1,565
Depreciation of property, plant and equipment	678	558
Impairment of current assets	1,192	1,354
Provisions for liabilities and charges	1,071	1,243
Total	4,776	4,720

Amortization of intangible assets mainly relates to development costs capitalized from the date of production of the asset in question, totaling €1,790k.

Depreciation of property, plant and equipment mainly consists of €43k in depreciation of buildings and €629k in depreciation of molds used in production.

Impairment of inventory relates to products in both the Hercules and Thrustmaster ranges (€55k and €734k respectively).

Provisions for liabilities and charges consist of €828k in respect of product returns and €243k in respect of unrealized foreign exchange losses.

5.5.9 Net financial income

	Dec 31, 2021	Dec 31, 2020
Income from equity interests	67	336
Total other financial income	67	336
Reversals of provisions and transfers of expenses	1,585	58
Additions to amort'n, deprec'n & prov'ns on financial items	56	74
Total additions to and reversals from prov'ns	1,529	-16
Translation gains	208	66
Translation losses	80	577
Total translation adjustments	128	-511
Net income from disposals of investment securities	224	369
Net expenses on disposals of investment securities	7	31
Income from disposals of investment securities	217	338
Other interest and related income	30	33
Interest and related expenses	85	117
Total interest income and expenses	-55	-84
TOTAL	1,886	63

Financial risks are as follows:

- Liquidity risk: at December 31, 2021, the Company's borrowing and bank financing facilities were not fully utilized; net debt was negative at -€9,949k.

At December 31, 2021, based on the average price in December 2020, the fair value of the Company's portfolio of available-for-sale securities stood at €19,671k.

- Market risk: fluctuations in the market price of shareholdings affect the Company's earnings. Over 2021, a 10% decrease in the price of the Company's shares (relative to their price at December 31, 2021) would have reduced net financial income by €42k.

At March 18, 2022, the closing price of Ubisoft Entertainment shares was €39.74, down 6.13% relative to their price at December 31, 2021.

- Interest rate risk: based on the Company's outstanding unhedged floating-rate financial liabilities at December 31, 2021, a 1% increase in interest rates on an annual basis would have no impact on net financial income, since the Company had no floating-rate financial liabilities at December 31, 2021.

- Foreign exchange risk: a breakdown of the Company's foreign currency assets and liabilities at December 31, 2021 (unhedged amounts only – i.e. those exposed to exchange rate fluctuations) is set out below.

Foreign currency amounts exposed to upward or downward exchange rate fluctuations:

(€k)	USD	GBP	CAD
Assets	32,149	2,918	0
Liabilities	25,256	102	2,378
Net position before hedging	6,893	2,816	-2,378
Off balance sheet position	0	0	0
Net position after hedging	6,893	2,816	-2,378

Based on foreign currency values exposed to exchange rate fluctuations at December 31, 2021, a 10% annual decrease in US dollar exchange rates would result in an operating loss of €268k and a financial loss of €340k.

Based on foreign currency amounts exposed to exchange rate fluctuations at December 31, 2021, a 10% annual decrease in the value of sterling would result in an operating loss of €305k and a financial loss of €30k. Based on foreign currency amounts exposed to exchange rate fluctuations at December 31, 2021, a 10% annual increase in the value of the Canadian dollar would result in an operating gain of €68k and a financial gain of €97k.

The impact of exchange rate fluctuations on other currencies is not material.

For all major players in the multimedia industry transacting in US dollars, no one manufacturer has a competitive advantage that would result in increased market share. Since all industry players index-link their selling prices to cost prices in US dollars, selling prices rise and fall in line with cost prices.

The main currency for purchases of hardware and accessories is the US dollar. The trading currency in the United States, Canada and all other countries outside Europe is also the US dollar. In Europe, the Company mainly sells its products in euros. Rapid currency fluctuations, and in particular declines in the value of the US dollar, may result in lower selling prices for the Company's products, thus impacting the value of inventories.

Conversely, given the seasonal nature of the Company's business, if the US dollar were to rise sharply during the second half of the year, the Company would not be able to adjust its selling prices to reflect the full extent of such an increase, which could therefore have a temporary adverse impact on the Company's gross margin. However, to limit the Company's foreign exchange risk, Guillemot Corporation S.A. hedges against currency fluctuations by buying spot currency and currency futures and options.

No hedging contracts were in force at December 31, 2021.

Furthermore, growth in the Company's export sales over the past few years has boosted its natural hedging and significantly lowered its foreign exchange risk.

- Credit risk: this refers to the risk of financial loss should a customer fail to meet its contractual obligations. The Company manages this risk by taking out credit insurance covering 95% of the overall risk. Since the Company uses wholesalers and top-tier e-tailers, it has only a limited number of direct customers. In a few cases, the Company is obliged to grant additional credit where its insurance cover is considered clearly unsuitable.

Reversals and impairment of financial assets

Due to financial difficulties experienced by some subsidiaries of Guillemot Corporation S.A., the Company has recognized impairment losses against some of its subsidiaries in the course of previous fiscal years. Impairment losses have been recognized or reversed against the net position of equity investments or current account advances at December 31, 2021.

With respect to equity investments, the Company has recognized the following:

- A €55k addition to impairment in respect of its investment in Guillemot Srl (Italy)
- A €1k addition to impairment in respect of its investment in Guillemot S.A. (Belgium)
- A €20k reversal of impairment in respect of its investment in Guillemot Ltd. (United Kingdom)
- A €1,549k reversal of impairment in respect of its investment in Guillemot Inc (Canada)

With respect to current account advances, the Company has recognized the following:

- A €16k reversal of impairment on current account advances to Guillemot GmbH (Germany)

Net income and expenses on disposals of investment securities

Guillemot Corporation S.A. recognized a €217k gain on disposals of treasury shares under the liquidity agreement in force.

Interest income and expenses

Interest income mainly consists of interest on current account advances to subsidiaries.

Financial income also includes €15k in respect of a current account advance to subsidiary Guillemot GmbH (Germany) with a clawback provision, which was reinstated in the balance sheet after being waived by the parent company in 2004.

Interest expenses on borrowings and bank loans totaled €64k. Interest expenses on current accounts totaled €21k.

5.5.10 Net non-recurring income

Net non-recurring income includes extraordinary items and items that are unusual by virtue of their amount or their impact on day-to-day business.

	Dec 31, 2021	Dec 31, 2020
Non-recurring income from management activities	0	0
Non-recurring income from capital transactions	0	0
Reversals of provisions and transfers of expenses	0	4,110
Total non-recurring income	0	4,110
Non-recurring expenses on management activities	6	0
Non-recurring expenses on capital transactions	0	0
Exceptional additions to amort'n, deprec'n & prov'ns	220	1,154
Total non-recurring expenses	226	1,154
TOTAL	-226	2,956

Development costs no longer meeting the six capitalization criteria are removed from assets and the corresponding equipment scrapped. Consequently, the Company recognized an exceptional depreciation charge of €220k in the year ended December 31, 2021.

5.5.11 Corporate income tax

Profit to Dec 31, 2021		Current	Exceptional	Net
Tax basis		30,808	-226	30,582
Tax loss carryforwards		-15,908	117	-15,791
Tax due	26.50%	3,949	-29	3,920
Tax credits		-6	0	-6
Social security contribution on profits	3.30%	105	-1	104
Net income tax		4,048	-30	4,018

Increases and decreases in future taxes payable consist of expenses that are temporarily non-deductible (to be deducted the following year):

- Currency fluctuations: €851k
- Impairment in respect of product returns: €828k

Schedule of tax loss carryforwards

Year	Tax loss carryforwards
2003	5,167
2004	7,006
2005	9,171
2006	1,229
2009	565
2011	2,410
2012	357
2013	1,425
2014	1,272
2016	1,892
2019	559
TOTAL	31,053

5.5.12 Average workforce

	Total	Management	Non-management
Dec 31, 2021	5	5	0

At December 31, 2021, the workforce consisted solely of the executive officers.

5.5.13 Financial commitments

Letters of intent

Letters of support in favor of Guillemot GmbH (Germany), Guillemot Ltd. (United Kingdom) and Guillemot Electronic Technology (Shanghai) Co., confirming the Company's confidence, as owner, in these companies' continued operation.

Discounted bills not yet due

None.

Documentary credits outstanding

€742k.

Lump sum retirement allowances

Since the workforce consists solely of the executive officers, no lump sum retirement allowances are due.

Guaranteed amounts in respect of licenses

€292k.

Commitments received

Guillemot Corporation S.A. has waived €6,000k in current account advances to its subsidiary Guillemot GmbH (Germany).

This waiver is accompanied by a clawback provision whereby repayments by the subsidiary may not exceed 50% of its annual net profit once it has returned to profit. Since Guillemot GmbH (Germany) made a profit in 2021, taking into account the repayment terms Guillemot Corporation S.A. added back a total of €15k to balance sheet assets. The remaining €5,579k will be gradually repaid in future years at a rate of 50% of annual net profit.

Commitments received in respect of operating activities: bank guarantees totaling €834k.

5.5.14 Executive compensation

The executive officers (Claude Guillemot, Michel Guillemot, Yves Guillemot, Gérard Guillemot and Christian Guillemot) are compensated for their duties as Chairman and Chief Executive Officer or Deputy Chief Executive Officer. They do not have employment contracts with the company. The Company paid total gross compensation of €291k to the executive officers in the fiscal year.

The Company paid Board members a total of €102k in the fiscal year in respect of their duties. This amount includes €45k paid to independent directors.

No specific pension scheme is in place for the corporate officers. The Company has not entered into any commitment with regard to compensation, allowances or benefits that are or may be due by reason of or subsequent to the assumption or cessation of duties. No compensation was paid under any incentive or bonus plan. No stock options were allotted.

5.5.15 Parent company

Guillemot Corporation S.A.
Place du Granier, BP 97143, 35571 Chantepie Cedex, France

5.6 Subsequent events

On February 24, 2022, Russia launched a military offensive against Ukraine in violation of international law, resulting in many countries imposing economic sanctions on Russia.

Guillemot Corporation S.A.'s exposure is as follows: in 2021, the Company generated turnover of €3 million with Russia and Ukraine, equating to 1.93% of consolidated total turnover. Relevant trade receivables at February 24, 2022 totaled €0.9 million and are 95% covered by a credit insurance policy.

On March 13, 2022, the Chinese Government imposed a strict lockdown on Shenzhen due to an increase in the number of Covid cases. This has caused intermittent disruption to the Company, affecting production and container shipping to customers.

The Company expects the public health and logistical situation to remain complex in 2022 and is putting in place policies to cushion the effects on growth.

5.7 Proposed appropriation of income

	(€)	(€)
Sources		
Retained earnings brought forward		
Earnings for fiscal year ended Dec 31, 2021		28,045,631.22
O/w net income from ordinary activities after tax: 28,272,325.18		
Deduction from reserves		
Appropriations		
Appropriations to reserves:		
- Statutory reserve		
- Special reserve for long-term capital gains		
- Other reserves	24,223,761.22	
Dividends	3,821,870.00	
Other appropriations:		
- To issue premiums		
- To contribution premiums		
- To conversion premiums		
Retained earnings		
TOTAL	28,045,631.22	28,045,631.22

5.8 Auditors' fees

Fiscal year 2021	PricewaterhouseCoopers Audit		MB Audit	
	Amount excl. taxes	%	Amount excl. taxes	%
Certification of the financial statements	74,896	100%	51,000	100%
Services other than certification of the financial statements	0	0%	0	0%
TOTAL	74,896	100%	51,000	100%

Fiscal year 2020	PricewaterhouseCoopers Audit		MB Audit	
	Amount excl. taxes	%	Amount excl. taxes	%
Certification of the financial statements	67,647	100%	50,801	100%
Services other than certification of the financial statements	0	0%	0	0%
TOTAL	67,647	100%	50,801	100%

5.9 Evaluation and description of the financial impacts of environmental risks

The Company operates in the PC and console accessories sector.

The Company has not entered into any environmental commitments (either to reduce its products' environmental footprint or to use only renewable energy).

5.10 Statutory auditors' report on the parent company financial statements

Fiscal year ended December 31, 2021

The Shareholders
Guillemot Corporation
Place du Granier
BP 97143
35571 Chantepie Cedex

Opinion

Pursuant to the engagement entrusted to us at your shareholders' general meeting, we have audited Guillemot Corporation's parent company financial statements for the fiscal year ended December 31, 2021, as appended to this report.

We certify that, in light of French generally accepted accounting principles, the parent company financial statements are in order and in good faith, and provide a true and fair view of performance over the past year as well as the financial position and assets of the company at the year-end.

The opinion set out above is consistent with the content of our report to the audit committee.

Basis for our opinion

Audit standards

We have carried out our audit in accordance with professional standards applicable in France. We consider that the evidence we have collected forms an adequate and appropriate basis for our opinion.

The responsibilities that fall to us by virtue of these standards are set out in the section of this report titled "Statutory auditors' responsibilities as regards auditing the parent company financial statements".

Independence

We conducted our audit in compliance with the independence rules laid down in the French Commercial Code and the code of professional ethics for statutory auditors over the period from January 1, 2021 to the date on which we issued our report. In particular, we did not provide any prohibited services as laid down in the first paragraph of Article 5 of Regulation (EU) No. 537/2014.

Basis for our conclusions and key audit matters

The global crisis resulting from the Covid-19 pandemic meant the audit of last year's financial statements had to be prepared and carried out in unusual circumstances. Indeed, the crisis and the exceptional measures adopted in response to the public health emergency have had numerous implications for businesses, impacting in particular their operations and financing, as well as giving rise to increased uncertainty as to their future outlook. Some of these measures, such as travel restrictions and remote working, have also affected businesses' internal organizational arrangements and the way audits are carried out.

In this complex and changing environment, pursuant to the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code on the basis for our conclusions, we wish to draw your attention to those key audit matters relating to risks of material misstatement which, in our opinion, were greatest for the audit of the parent company financial statements for the year, as well as our response to those risks.

Our assessment of these matters forms an integral part of our audit of the parent company financial statements taken as a whole, and thus forms part of the basis for our opinion expressed above. We have no opinion to express on any part of these parent company financial statements taken on its own.

(1) Measurement of brands	
<p><u>Risk identified</u></p> <p>Brands acquired by Guillemot Corporation are considered as having an indefinite life; accordingly, they are not amortized.</p> <p>At December 31, 2021, brands with an indefinite life were recognized in the balance sheet at a net carrying amount of €9.8 million, or around 7% of total assets (gross amount: €10.8 million).</p> <p>An impairment loss is recognized whenever the present value of these brands, determined through an annual impairment test and/or a one-off test if there is an indicator of impairment, falls below their net carrying amount.</p> <p>Present value is an estimated value and represents the higher of market value and value in use.</p> <p>In the absence of a deep market for the brands in the Company's industry sector, the market value method is not used. That being the case, value in use is determined on the basis of discounted future cash flow calculations and entails a significant degree of management judgment, notably with regard to factors such as turnover growth rates, ratio of net operating income to turnover, and long-term discount and growth rates.</p> <p>Given the complexity of the models used and their sensitivity to changes in the data and assumptions on which estimates are based, including in particular forecast cash flows and the discount rate used, we considered the measurement of the brands' present value to be a key audit matter.</p>	<p><u>Audit procedures implemented in response to this risk</u></p> <p>In particular, we:</p> <ul style="list-style-type: none"> - familiarized ourselves with the processes by which the Group's brands are measured; - assessed the principles and methods used to determine the brands' value in use; - corroborated, notably by interviewing members of management, the reasonableness of key data and assumptions on which estimates are based (such as the rate of growth in sales, the ratio of net operating income to turnover, the discount rate and the long-term growth rate); - familiarized ourselves with the business outlook for each of the Group's brands by interviewing members of management and compared accounting estimates of projected cash flows from prior periods with corresponding actual figures to assess their reliability; - tested the mathematical accuracy of the measurements adopted by the Company. <p>We also assessed the appropriateness of the information provided in notes 5.3.1 and 5.4.1 to the parent company financial statements, "Intangible assets".</p>

(2) Measurement of development costs	
<p><u>Risk identified</u></p> <p>Development costs are recognized in intangible assets whenever the criteria laid down in CRC Regulation 2004-06 are met.</p> <p>At December 31, 2021, net capitalized costs totaled €5.6 million, or 4% of total assets.</p> <p>Project eligibility is reviewed quarterly by the Company's finance and technical departments, in agreement with senior management.</p> <p>In the context of our audit, we paid particularly close attention to these development costs, since their capitalization is based on judgment and estimates, notably as regards the following two criteria:</p> <ul style="list-style-type: none"> - Technical feasibility of completing the intangible asset before it can be used or sold - How the intangible asset will generate probable future economic benefits <p>Given the increasing role played by judgment in determining which development costs should be capitalized, we considered the measurement of the net amount of development costs to be a key audit matter.</p>	<p><u>Audit procedures implemented in response to this risk</u></p> <p>In particular, we:</p> <ul style="list-style-type: none"> - familiarized ourselves with the processes by which development costs are measured; - checked the existence and accuracy of the amounts recognized in respect of development costs, in particular by reconciling the amounts capitalized with internal time-tracking data as well as carrying out sample-based testing of capitalized external expenses; - met with the finance department and consulted documentation provided by the technical department to assess the reasonableness of key data and assumptions relied on in determining whether development costs should be capitalized (such as the likelihood of future economic benefits and a project's technical feasibility); - corroborated the information obtained through these interviews against current sales generated by capitalized projects; - identified any indicator of impairment on these projects that would require an impairment test to be carried out. <p>We also assessed the appropriateness of the information provided in notes 5.3.1 and 5.4.1 to the parent company financial statements, "Intangible assets".</p>

(3) Measurement of inventories of components and finished products	
<u>Risk identified</u>	<u>Audit procedures implemented in response to this risk</u>
<p>The Company's inventories consist of electronic components and sub-assemblies as well as finished products.</p> <p>At December 31, 2021, inventories were recognized in the balance sheet at a net carrying amount of €36.1 million, equating to 26% of total assets.</p> <p>Impairment testing is carried out at the end of each accounting period and an impairment loss is recognized whenever the acquisition cost of inventory is greater than its market value.</p> <p>As part of our audit, we paid particular attention to how this market value was determined, since it is based not only on observable data such as products' market prices but also on assumptions such as the sales outlook for each product range and management judgment as to expected market trends.</p> <p>Given the assumptions underpinning estimates, we considered measurement of the market value of products held in inventory to be a key audit matter.</p>	<p>We:</p> <ul style="list-style-type: none"> - tested the measurement of items in inventory by carrying out sample-based comparisons with cost prices; - familiarized ourselves with processes in place to identify slow-moving items, those at risk of obsolescence and those whose selling prices were lower than their acquisition cost; - for items at risk of impairment, checked that they had been correctly measured, notably by carrying out sample-based comparisons of the cost of products held in inventory with their last known net selling price; - took into account work undertaken as part of the review of development costs so as to identify, where applicable, indicators of impairment on certain products held in inventory. <p>We also assessed the appropriateness of the information provided in the following notes to the parent company financial statements: 5.3.4, "Inventories and work in progress", 5.4.4, "Inventories", 5.4.14, "Provisions and impairment" and 5.5.8, "Additions to amortization, depreciation and impairment".</p>

Specific checks

In accordance with professional standards applicable in France, we also carried out specific checks required by legislation and regulations.

Information provided in the management report and other documents addressed to shareholders on the company's financial position and the parent company financial statements

We have no comments as to the accuracy of the parent company financial statements or their consistency with the information given in the management report by the Board of Directors and other documents addressed to the shareholders concerning the Company's financial position and the parent company financial statements.

We confirm that the information about payment terms, as laid down in Article D.441-6 of the French Commercial Code, is accurate and consistent with the parent company financial statements.

Information about corporate governance

We confirm that the corporate governance section of the management report by the Board of Directors includes the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

As regards the information provided pursuant to the provisions of Article L.22-10-9 of the French Commercial Code on compensation and benefits paid or allotted to executive officers and commitments given to the latter, we have checked that these are consistent with the financial statements or with data used to prepare the financial statements and, as the case may be, with information gathered by the Company from consolidated companies it controls. Based on this work, we confirm that this information is accurate and true.

As regards information that the Company considers might have an impact in the event of a takeover bid or public exchange offer, provided in accordance with Article L.22-10-11 of the French Commercial Code, we have checked the consistency of this information with the documents from which it is taken and that were provided to us. On the basis of this work, we have no comments on this information.

Other information

In accordance with the law, we have satisfied ourselves that information concerning the identity of the holders of equity or voting rights has been provided to you in the management report.

Other checks and information required by legislation and regulations

Presentation format of the parent company financial statements included in the annual financial report

In accordance with professional standards governing statutory auditors' duties in respect of parent company and consolidated financial statements presented in the European Single Electronic Format, we have also checked that the presentation of the parent company financial statements included in the annual financial report referred to in section I of Article L.451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chairman and Chief Executive Officer, complies with this format as defined in Commission Delegated Regulation (EU) 2019/815 of December 17, 2018.

On the basis of our work, we conclude that the presentation of the parent company financial statements included in the annual financial report complies in all material respects with the European Single Electronic Format.

Appointment of statutory auditors

We were appointed statutory auditors of Guillemot Corporation at the shareholders' general meetings of May 26, 2004 (PricewaterhouseCoopers Audit) and May 23, 2007 (MB Audit).

At December 31, 2021, PricewaterhouseCoopers Audit was serving for its eighteenth consecutive year and MB Audit for its fifteenth consecutive year, 18 and 15 years respectively since the Company's shares were admitted to trading on a regulated market.

Responsibility of management and persons charged with corporate governance as regards the parent company financial statements

It falls to management to draw up parent company financial statements that provide a true and fair view in accordance with French generally accepted accounting principles, as well as to put in place such internal control arrangements as it deems necessary to be able to prepare parent company financial statements free from material misstatement, whether as a result of fraud or error.

In preparing the parent company financial statements, it falls to management to assess the Company's ability to continue to operate, to show in its financial statements any required information pertaining to continuity of operations, and to apply the going concern accounting principle, unless it is planned to wind up the Company or cease operations.

It falls to the audit committee to monitor the process of preparing financial information and the effectiveness of internal control and risk management systems, as well as, where applicable, internal audit in respect of procedures for preparing and processing accounting and financial information.

The parent company financial statements have been signed off by the Board of Directors.

Statutory auditors' responsibilities as regards audit of the parent company financial statements

Audit objective and approach

It falls to us to draw up a report on the parent company financial statements. Our objective is to obtain reasonable assurance that the parent company financial statements taken as a whole are free from material misstatement. Reasonable assurance means a high level of assurance, though there is no guarantee that an audit carried out in accordance with standards of professional practice will always detect every material misstatement. Misstatements may be the result of fraud or error; they are considered material whenever, taken individually or together, they might reasonably be expected to influence decisions made by the users of the financial statements on the basis of the latter.

As stipulated in Article L.823-10-1 of the French Commercial Code, our duty to certify the financial statements does not consist of guaranteeing either the Company's viability or the quality of its management.

In the case of an audit conducted in accordance with standards of professional practice applicable in France, the statutory auditors must exercise their judgment throughout the audit.

Furthermore:

- They must identify and assess the risk that the parent company financial statements might include material misstatements, whether as a result of fraud or error, draw up and implement audit procedures in response to that risk, and gather information they consider a sufficient and appropriate basis for their opinion. The risk of failing to detect a material misstatement resulting from fraud is greater than that of failing to detect a material misstatement resulting from error, since fraud may entail collusion, falsification, deliberate omission, misrepresentation, or the bypassing of internal control.
- They must familiarize themselves with internal control arrangements relevant to the audit so as to be able to define suitable audit procedures (and not so as to express an opinion on the effectiveness of internal control).
- They must assess the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as information concerning such policies and estimates provided in the parent company financial statements.
- They must assess the appropriateness of management's use of the going concern accounting principle and, based on the information gathered, determine whether there is significant uncertainty linked to events or circumstances that could call into question the company's ability to continue operations. This assessment is based on information gathered up to the date of the auditors' report; it should, however, be borne in mind that subsequent circumstances or events could jeopardize continuity of operation. If the auditors conclude that there is significant uncertainty, they must draw the attention of readers of their report to the information provided in the parent company financial statements about that uncertainty or, if that information is not provided or is not relevant, issue a qualified certification or else refuse to qualify the financial statements.
- They must assess the overall presentation of the parent company financial statements and determine whether they provide a true and fair view of the underlying transactions and events.

Report to the audit committee

We submit a report to the audit committee setting out, in particular, the extent of our audit and the program of work carried out, as well as our audit findings. We also advise the audit committee of any significant weaknesses in internal control we may have identified pertaining to procedures for preparing and processing accounting and financial information.

Our report to the audit committee includes information about the risk of material misstatements, which we consider most significant for the audit of the parent company financial statements for the year and which, as such, constitute key audit matters which it is our responsibility to describe in this report.

We also provide the audit committee with the declaration laid down in Article 6 of Regulation (EU) No 537-2014 confirming our independence, within the meaning of rules applicable in France as laid down, in particular, in Articles L.822-10 to L.822-14 of the French Commercial Code and in the code of professional ethics for statutory auditors. Where applicable, we discuss with the audit committee our independence and the measures put in place to safeguard it.

Nantes and Bruz, April 25, 2022

The statutory auditors

PricewaterhouseCoopers Audit	MB Audit
Gwenaël Lhuissier	Khadija Roullé

➤ KEY MARKETS

The market in which the Group operates mainly consists of consoles (hardware), games (software) and PC and console gaming accessories.

1. GLOBAL VIDEO GAMES MARKET

The global video games industry has not been affected by the crisis. The constantly evolving world of video games is attracting more and more users: the sector has attracted 500 million more players over the last three years. The industry is clearly flourishing (*source: www.freuronews.fr, November 15, 2021*).

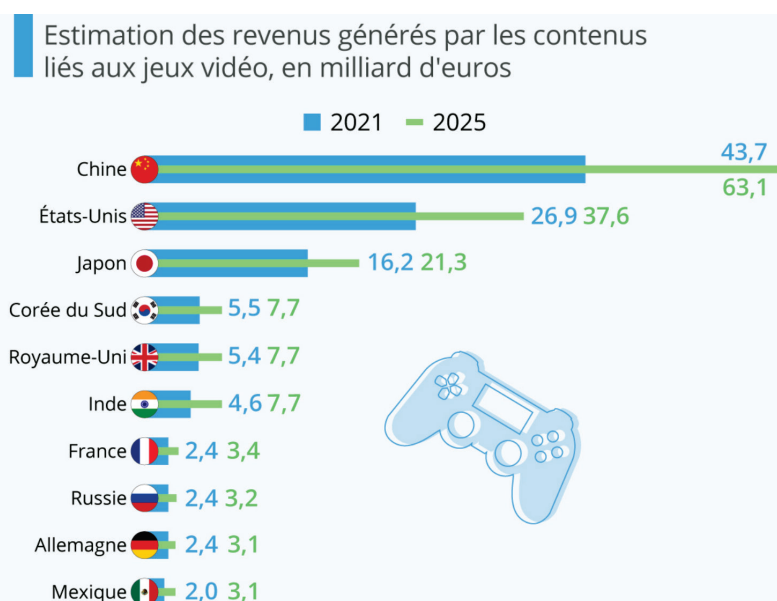
According to a survey published in April 2021 by consulting firm Accenture, the video games industry was bigger than the music and cinema industries combined in 2021. The industry generates global revenue in excess of \$300 billion; its growth has been boosted by the impact of the pandemic and the increasing popularity of mobile gaming. Over the past few months, new players have also been won over by the latest technological advances in areas like virtual reality.

There are 2.7 billion video gamers worldwide, a figure that has grown by 500 million over the past three years and is expected to increase by a further 400 million by the end of 2023 (*source: www.lefigaro.fr, April 29, 2021*).

Highlighted by the public health situation in 2020, the social nature of video gaming was even more apparent in 2021, with 61% of gamers (up 9 percentage points) claiming that video gaming helped them form social bonds and share their passions online. Multiplayer video games continue to gain in popularity, with 43% of gamers playing online with friends (up 6 percentage points) and 37% playing in company (up 10 percentage points). Some 33% say video gaming has even helped them make new friends (*source: www.afjv.com, November 25, 2021*).

France is one of the world's largest markets for video games, as shown by data from Statista's Digital Market Outlook. This report estimates video gaming revenue in France at nearly €2.4 billion, with the trend set to increase between now and 2025. However, these numbers are low compared with giants of the video games market like China, the United States and Japan. The Chinese market is some twenty times larger than its French counterpart and is expected to generate €63.1 billion in revenue between now and 2025 (*source: <https://fr.statista.com/>, August 19, 2021*). However, despite being recognized as the world's most lucrative market for video games, China has for the past few months been tightening restrictions on video gaming.

Top 10 video games markets



Dernières données disponibles : juillet 2021.

Source : Statista Digital Market Outlook

While Africa currently represents only a tiny proportion of the video games market, the African market is set to grow at a phenomenal rate. Newzoo estimates that video gaming will generate revenue of \$192 billion in 2022. Of course, the vast majority of gamers are currently found in North America, Europe and Asia, which account

for 75% of the eSports market. However, the fastest-growing regions are Latin America and Africa. The number of gamers in Africa has increased by a factor of 26 in five years and is set to rise even more steeply thanks to two factors: (i) demographics: in 2050, almost half of Africa's population will be under 25 years old, making for a pool of 2.4 billion potential gamers; and (ii) internet penetration: although still fairly low across the continent as a whole (around 40%), internet penetration is much higher in countries such as Kenya (85%), Libya (84%) and Nigeria (73%) as well French-speaking countries like Mauritius (72.2%), Morocco (68.5%) and Tunisia (68.4%). From Senegal to South Africa, not forgetting Nigeria, Cameroon and Kenya, video gaming and eSports are rapidly gaining in popularity right across Africa (source: www.msn.com/fr, November 23, 2021).

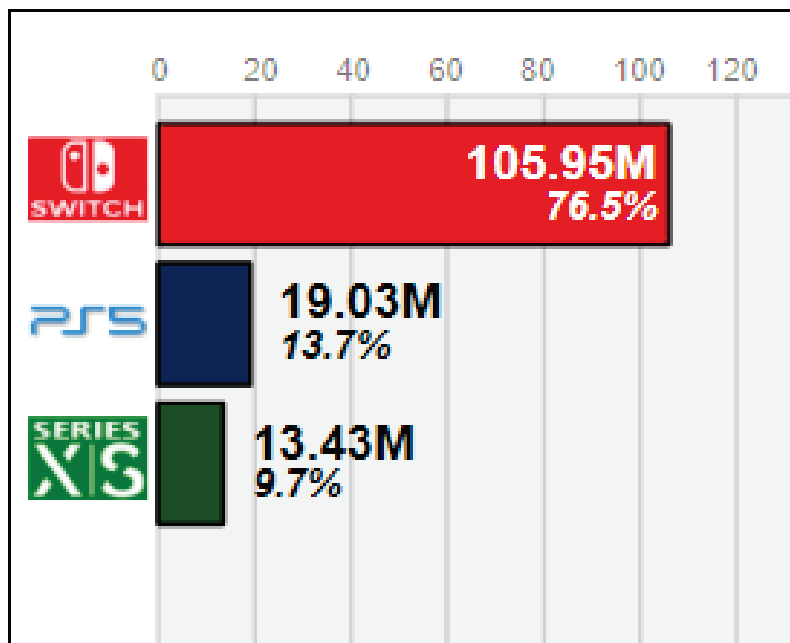
According to market research firm Newzoo, growth in the video games industry between 2019 and 2024 is on track to average 11% a year (source: www.ecranmobile.fr, January 3, 2022).

The market for smartphone video games has outpaced the console and PC gaming markets, growing 4.4% in 2021 to \$90.7 billion (source: www.ecranmobile.fr, January 3, 2022).

2. CONSOLE MARKET

Competition in the console market has been heating up over the past few years.

Installed base of consoles
(Source: www.vgchartz.com, March 19, 2022)



The video game console market still consists of two segments: home consoles and portable consoles.

The component shortage obviously impacted growth in 2021, preventing Sony and Microsoft from meeting very strong demand for the PlayStation 5 and Xbox Series X consoles.



(Source: www.jeuxvideo.fr, January 17, 2022)

In 2022, as the gaming console ecosystem celebrates its fiftieth birthday, Deloitte Global is forecasting growth of 10% in the console market, which would put sector revenue in the year at \$81 billion. Beyond 2022, sales of console software should continue to grow, reaching nearly \$70 billion by 2025 (source: www.telesatellite.com, December 3, 2021). Over this period, the consulting firm reports that purchases of digital games, including downloads, subscriptions, gaming passes and integrated payments, are set to increase as a proportion of sales, from 65% in 2022 to 84% in 2025 (source: www.telesatellite.com, December 3, 2021).

At end September 2021, Nintendo had sold 92.87 million Switch consoles (of which 3.83 million between July and September). Meanwhile, there are some 13.4 million PlayStation 5 consoles worldwide (just short of the record for the first four quarters of a new PlayStation console), of which 3.3 million were sold in the final quarter, and 116.6 million PlayStation 4 consoles. It should be noted that PlayStation 4 sales have almost completely dried up (with only 200,000 sold in the final quarter of 2021) (source: www.multimedialaune.com, issue 285, November 2021).

The next-generation PlayStation 5 and Xbox Series consoles, released in November 2020, have borne the full brunt of the semiconductor shortage. While Asian factories regularly churn out new consoles, they are not able to do so in sufficient volumes to meet consumer demand. These consoles are almost impossible to find on store shelves, and new stock received by e-tailers is sold out within minutes. Despite the component shortage, PlayStation 5 sales are expected to reach 18 million units in 2022, double the forecast sales of Xbox Series X/S consoles (9 million units) (source: www.melty.fr, January 22, 2022). Sony sold a total 600,000 PlayStation 5 consoles in France in 2021, while Microsoft sold 214,000 Xbox Series consoles (source: www.jeuxvideo.fr, January 17, 2022).

Ventes de consoles en France

#	Console	2019	2020	2021	2021->22	Total
1	Switch	1 250 000	1 445 000	1 231 000	- 15 %	~ 6 000 000
2	PlayStation 5	--	165 000	600 000	+ 264 %	765 000
3	Xbox Series	--	86 000	214 000	+ 149 %	300 000
5	PlayStation 4	550 000	294 000	90 000	- 69 %	~ 6 100 000

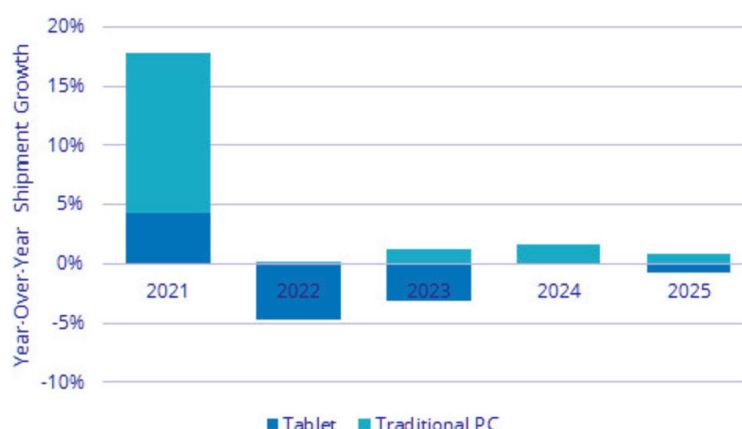
3. PC MARKET

Despite years of steadily declining sales, desktop PCs had something of a red-letter year in 2021. Against all expectations, sales in this market segment are set to be 7% higher than in 2020, according to calculations by analytics firm IDC (source: www.01net.com, January 3, 2022).

In an interview by the Wall Street Journal, manufacturers said they put this turnaround down to the pandemic and the widespread adoption of working from home.

The downward trend in global shipments of PCs since mid-2021 is expected to continue throughout 2022 before picking up slightly out to 2025 (source: www.distributique.com, December 8, 2021).

Global tablet and PC markets, 2021-2025



Source: IDC 2021

4. PC AND CONSOLE ACCESSORIES MARKET

The gaming accessories market notably covers racing wheels, joysticks, gamepads and connected gaming headsets.

With multiplayer gaming on the rise and video games constantly improving, more and more gamers are adding accessories to their gaming ecosystem.

According to DFC Intelligence, the market for gaming accessories (gamepads, keyboards, mice and headsets) had a good year in 2021, setting it up to achieve revenue of \$15 billion in 2025 (source: *Multimédia à la Une*, issue 283, September/October 2021). According to NPD Group, spending on PC gaming hardware and accessories increased by 25% in 2021 (source: www.clubic.com, January 31, 2022).

4.1 Racing wheels

Having a racing wheel is considered a must by many virtual drivers.

According to NPD, the US racing wheel market grew 78.14% by value in 2021, to \$123.1 million. Four Thrustmaster racing wheels were among the top ten sellers by value. Thrustmaster's 2021 market share by value was 29.6% (source: © 2022 The NPD Group, Inc., All Rights Reserved; Proprietary and Confidential; Property of NPD and its Affiliates; Licensed for Use by NPD Clients Only; extract at February 2022).

According to GfK, the racing wheel market in the top five European countries of France, Germany, the United Kingdom, Italy and Spain grew 32.5% by value to €157.7 million. Sales of Thrustmaster racing wheel grew 35.8% by value. Thrustmaster is the number two player in racing wheels, with a market share by value of 27.3%. Three Thrustmaster racing wheels were among the top ten sellers by value (source: © GfK 2022, all rights reserved).

4.2 Joysticks

According to NPD, the US joystick market grew 22.6% by value in 2021, to \$19.83 million. Thrustmaster was once again number one by both value and volume, strengthening its position in the segment and putting it among the top seven sellers, with a market share by value of 67.6% (source: © 2022 The NPD Group, Inc., All Rights Reserved; Proprietary and Confidential; Property of NPD and its Affiliates; Licensed for Use by NPD Clients Only).

According to GfK, joystick sales in the top five European countries grew 31.3% by value to €27.94 million. Thrustmaster's growth outpaced the market, with sales up 42.8% by value. Thrustmaster's market share by value is 60.5%, securing the brand's place as number one seller by both value and volume (with a market share by volume of 60.6%). The *TCA Officer Pack Airbus Edition* joystick is the number two seller (source: © GfK 2022, all rights reserved).

4.3 Gamepads

An essential prerequisite for console gaming and increasingly popular for mobile and PC gaming, gamepads are doing very well. With eSports on the rise and gamers becoming ever more demanding, manufacturers have no choice but to offer appropriate upgradeable peripherals.

According to NPD, the US gamepad market was stable by value in 2021. Thrustmaster's *ESWAP X PRO CONTROLLER* was number five by value in the US in the category of controllers costing over \$100 (source: © 2022 The NPD Group, Inc., All Rights Reserved; Proprietary and Confidential Property of NPD and its Affiliates; Licensed for Use by NPD Clients Only).

According to GfK, the gamepad market in the top five European countries declined 2% by value. Thrustmaster's *ESWAP X PRO CONTROLLER* was the number three seller by value in the category of controllers costing over \$100 (source: © GfK 2022, all rights reserved).

The Asia-Pacific market for gaming controllers is set to grow to \$1,479.3 million dollars by 2027 (source: <https://androidfun.fr>, January 14, 2022).

4.4 Gaming headsets

According to NPD, the US market for gaming headsets declined 4.5% by value and 29% by volume in 2021 (source: © 2022 The NPD Group, Inc., All Rights Reserved; Proprietary and Confidential; Property of NPD and its Affiliates; Licensed for Use by NPD Clients Only).

While the Group has a presence across all continents, figures are not publicly available for its other regions.

5. ESPORTS MARKET

The eSports sector continues to grow both in France and worldwide. A survey by investment bank Goldman Sachs published in 2018 estimates that this market could grow to €2.96 billion 2022 (source: *PIPAME survey, June 2021*). The eSports market represents a means of communication and a community engagement tool for video game developers and vendors and is becoming an increasing focus of development, with some games targeting eSports right from the design phase.

eSports is steadily growing in popularity. The Covid-19 pandemic only strengthened this trend: during the 2020 lockdown, streaming platforms like Twitch set new audience records, while many traditional sports celebrities turned to online games. Boosted by this success, eSports is now a strategic market for advertisers.

Experts are predicting that global eSports events, like the recently completed League of Legends world championship, will transform the traditional sports market. eSports events are generating record levels of media attention year after year via streaming channels like YouTube and Twitch and their Chinese equivalents.

The eSports segment generates demand for high-end accessories that combine precision and responsiveness to maximize competitors' performance.

6. STREAMING AUDIO MARKET

The way people listen to music has changed over the past ten years or so:

- Streaming, either via subscriptions allowing unlimited access to audio libraries or advertising-supported, is now the music industry's primary income stream (accounting for 62% of revenue in 2020, according to the IFPI 2021 report).
- Physical media are in decline (19.5% of revenue), with vinyl now outselling audio CDs.
- Unit sales of audio tracks and albums continue to decline (less than 6% of revenue).

With Spotify, Apple Music, Amazon and Tencent leading the way, streaming has changed how people listen to music by giving listeners instant mobile access to a near-unlimited audio library – so much so that, to help people choose from the millions of available tracks, the major streaming players have to guide their users by way of playlists. This means streaming platforms, and the curators who put together their playlists, now play an important role in helping people discover new music, similar to the role played by radio stations in the twentieth century.

While the value of the music streaming market continues to grow, with revenue up 19.9% to \$13.4 billion in 2020 (\$10 billion in subscriptions and \$3.4 billion in advertising revenue), physical sales declined 4.7% by value, despite growth in vinyl sales.

According to a Media Research survey on the balance of power between the various streaming platforms, streaming services together had 524 million subscribers worldwide in mid-2021, up 26% year on year, with 109 million new subscribers (source: <https://www.midiaresearch.com/blog/music-subscriber-market-shares-q2-2021>).

Spotify had 162 million subscribers in mid-2021, compared with 78 million for Apple Music. Spotify maintains a comfortable lead with a market share of 31%, followed by Apple Music at 15% and Amazon and Tencent at 13% each (source: [MIDIa Research Music Subscriber Market Share, November 2021](#)).

According to the IFPI's "Engaging With Music" international survey of music consumption in 2021 (source: https://snepmusique.com/wp-content/uploads/2021/10/Consumer-Study-IFPI_VF.pdf), time spent listening to music via a streaming subscription increased by 51% in 2021, with 78% of respondents saying they listening to streaming music via either a paid subscription or an ad-supported service.

7. HEADPHONES AND DJ MARKET

The breadth of the headphone market, driven by a combination of lifestyle changes and technological innovation, has led many people to invest in multiple sets of headphones for a range of use cases: smartphone, gaming, videoconferencing, audiophile listening, musicians, sports/running, travel, and so on.

The growth outlook for the global headphone market is strong, buoyed in particular by strong momentum in China and the Asia-Pacific region. Meanwhile, products sold in France are gradually moving upmarket as consumers become increasingly demanding.

Alongside the generalist offerings from the major streaming platforms, operators have developed streaming offerings targeted specifically at creative uses of music, including in particular DJing, enabling DJs to mix streaming music tracks inside their DJing software. This means DJs can mix tracks not stored on their computers.

Streaming operators offering this type of service include BeatPort, BeatCloud, SoundCloud and Tidal. These streaming offerings, geared around instant access to a wide range of music, enable beginner and amateur DJs to mix all types of music without having to first build up an audio library. Furthermore, these DJ-friendly streaming subscriptions make it easier for DJs to use their smartphones, otherwise limited by reduced storage space compared with computers.

The digital DJ market is split between online retailers, electronics stores and music stores. There is a lack of up-to-date global indicators quantifying its size and growth rate. The DJ market is made up of two distinct audiences:

- Professionals using expensive equipment at public parties and clubs
- Consumers using cheaper equipment to get started in DJing and host private parties

Restricted access to bars, clubs and concert halls in 2021 hampered sales of stage equipment. Conversely, sales of at-home music-making gear grew: US website MI Salestrack (<https://msretailer.com/mi-salestrak-reveals-month-by-month-market-changes-during-pandemic>) highlighted this change, with stay-at-home orders fueling increased demand for recreational music equipment.

Hercules DJ, whose DJ controllers are mainly used at home or online, saw its sales grow in 2021.

With market surveys mainly using sales figures from brick-and-mortar stores and Covid-19 causing online sales to increase at the expense of physical sales, reliable numerical data in this market is scarce. In 2021, supply chain pressures (growing demand driven by the recovery, port congestion, truck shortages, etc.) slowed supplies and drove up transportation costs, resulting in price rises.

➤ COMBINED SHAREHOLDERS' GENERAL MEETING OF JUNE 9, 2022

1. AGENDA

▪ Within the authority of the Ordinary General Meeting

- Reports by the Board of Directors
- Statutory auditors' reports
- Approval of the parent company financial statements for the fiscal year ended December 31, 2021
- Appropriation of parent company earnings for the fiscal year ended December 31, 2021
- Approval of the consolidated financial statements for the fiscal year ended December 31, 2021
- Approval of agreements covered by Article L.225-38 of the French Commercial Code
- Approval of components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2021 to Claude Guillemot, Chairman and Chief Executive Officer
- Approval of components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2021 to Michel Guillemot, Deputy Chief Executive Officer
- Approval of components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2021 to Yves Guillemot, Deputy Chief Executive Officer
- Approval of components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2021 to Gérard Guillemot, Deputy Chief Executive Officer
- Approval of components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2021 to Christian Guillemot, Deputy Chief Executive Officer
- Approval of disclosures about compensation payable to executive officers as laid down in section I of Article L.22-10-9 of the French Commercial Code
- Approval of the compensation policy for executive officers in accordance with section II of Article L.22-10-8 of the French Commercial Code
- Reappointment of Michel Guillemot as a director
- Reappointment of Gérard Guillemot as a director
- Reappointment of PricewaterhouseCoopers Audit SAS as a principal statutory auditor
- Appointment of Emmanuel Benoist as an alternate statutory auditor
- Appointment of Toadenn Audit SARL as a principal statutory auditor
- Appointment of Jérôme Compain as an alternate statutory auditor
- Authorization to be granted to the Board of Directors to trade in the Company's shares
- Completion of legal formalities following the Ordinary General Meeting

▪ Within the authority of the Extraordinary General Meeting

- Report by the Board of Directors
- Statutory auditors' report
- Authorization to be granted to the Board of Directors to reduce the Company's share capital by retiring shares of the Company
- Completion of legal formalities following the Extraordinary General Meeting

2. DRAFT RESOLUTIONS

- Within the authority of the Ordinary General Meeting

RESOLUTION 1

(Approval of the parent company financial statements for the fiscal year ended December 31, 2021)

Having familiarized themselves with the management report by the Board of Directors and the statutory auditors' report on the parent company financial statements, the shareholders, voting under the quorum and majority requirements applicable to ordinary general meetings, approve the parent company financial statements for the fiscal year ended December 31, 2021, as presented, together with the transactions reflected in those financial statements or summarized in those reports.

RESOLUTION 2

(Appropriation of parent company earnings for the fiscal year ended December 31, 2021)

The shareholders, voting under the quorum and majority requirements applicable to ordinary general meetings, agree to apportion profit for the fiscal year ended December 31, 2021 in the amount of €28,045,631.22 as follows:

- Other reserves: €24,223,761.22
- Dividends: €3,821,870.00

The dividend is set at €0.25 for each share entitling its holder to receive a dividend, to be paid on June 17, 2022.

The shareholders agree that the amount of the dividend corresponding to shares held by the Company at the ex-dividend date will be allocated to other reserves.

The shareholders note that, for individual shareholders resident in France for tax purposes, dividends received are subject, pursuant to section 1 A 1° of Article 200 A of the French General Tax Code, to a one-off flat tax of 12.8% or, at the shareholders' overall option, such revenue may be taxed under the progressive income tax scale. In the latter case, dividends are eligible for the 40% tax relief referred to in paragraph 3 2° of Article 158 of the French General Tax Code.

In both cases, dividends are subject, upon payment, to a non-definitive flat-rate deduction at source at a rate of 12.8%, by way of an advance income tax payment, deductible from the final amount of income tax due the following year. However, in accordance with the third paragraph of Article 117 *quater* of the French General Tax Code, individuals belonging to a tax household whose reference taxable income is less than €50,000 for taxpayers who are single, divorced or widowed or less than €75,000 for taxpayers subject to joint taxation may request exemption from this 12.8% non-definitive flat-rate deduction at source under the conditions laid down in Article 242 *quater* of the French General Tax Code.

Furthermore, for individual shareholders resident in France for tax purposes, social security contributions are deducted from all dividends paid at a rate of 17.2%.

In accordance with the provisions of Article 243 *bis* of the French General Tax Code, you are reminded that the following dividends have been paid in respect of the past three fiscal years:

	Fiscal year 2020	Fiscal year 2019	Fiscal year 2018
Number of shares	15,287,480	15,287,480	15,287,480
Dividend per share	€0.25	0	€0.13
Total dividend ^{(1) (2)}	€3,821,870.00	0	€1,987,372.40

⁽¹⁾ These figures do not include any amounts not paid out in respect of treasury shares.

⁽²⁾ Dividends eligible for the 40% tax relief referred to in Article 158 3 (2) of the French General Tax Code.

RESOLUTION 3

(Approval of the consolidated financial statements for the fiscal year ended December 31, 2021)

Having familiarized themselves with the report by the Board of Directors on management of the group, included in the management report by the Board of Directors, and with the statutory auditors' report on the consolidated financial statements, the shareholders, voting under the quorum and majority requirements applicable to ordinary general meetings, approve the consolidated financial statements for the fiscal year ended December 31, 2021, as presented, together with the transactions reflected in those financial statements or summarized in those reports.

RESOLUTION 4

(Approval of agreements covered by Article L.225-38 of the French Commercial Code)

Having familiarized themselves with the statutory auditors' special report on agreements covered by Article L.225-38 of the French Commercial Code, the shareholders, voting under the quorum and majority requirements applicable to ordinary general meetings, approve the agreements referred to therein and the conclusions of the aforementioned report.

RESOLUTION 5

(Approval of components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2021 to Claude Guillemot, Chairman and Chief Executive Officer)

The shareholders, pursuant to the provisions laid down in section II of Article L.22-10-34 of the French Commercial Code and voting under the quorum and majority requirements applicable to ordinary general meetings, approve the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid or allotted to Claude Guillemot by virtue of his office as Chairman and Chief Executive Officer in respect of the fiscal year ended December 31, 2021, as set out in section 21.6.2 of the report on corporate governance, appended to the management report for the fiscal year ended December 31, 2021.

RESOLUTION 6

(Approval of components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2021 to Michel Guillemot, Deputy Chief Executive Officer)

The shareholders, pursuant to the provisions laid down in section II of Article L.22-10-34 of the French Commercial Code and voting under the quorum and majority requirements applicable to ordinary general meetings, approve the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid or allotted to Michel Guillemot by virtue of his office as Deputy Chief Executive Officer in respect of the fiscal year ended December 31, 2021, as set out in section 21.6.2 of the report on corporate governance, appended to the management report for the fiscal year ended December 31, 2021.

RESOLUTION 7

(Approval of components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2021 to Yves Guillemot, Deputy Chief Executive Officer)

The shareholders, pursuant to the provisions laid down in section II of Article L.22-10-34 of the French Commercial Code and voting under the quorum and majority requirements applicable to ordinary general meetings, approve the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid or allotted to Yves Guillemot by virtue of his office as Deputy Chief Executive Officer in respect of the fiscal year ended December 31, 2021, as set out in section 21.6.2 of the report on corporate governance, appended to the management report for the fiscal year ended December 31, 2021.

RESOLUTION 8

(Approval of components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2021 to Gérard Guillemot, Deputy Chief Executive Officer)

The shareholders, pursuant to the provisions laid down in section II of Article L.22-10-34 of the French Commercial Code and voting under the quorum and majority requirements applicable to ordinary general meetings, approve the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid or allotted to Gérard Guillemot by virtue of his office as Deputy Chief Executive Officer in respect of the fiscal year ended December 31, 2021, as set out in section 21.6.2 of the report on corporate governance, appended to the management report for the fiscal year ended December 31, 2021.

RESOLUTION 9

(Approval of components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2021 to Christian Guillemot, Deputy Chief Executive Officer)

The shareholders, pursuant to the provisions laid down in section II of Article L.22-10-34 of the French Commercial Code and voting under the quorum and majority requirements applicable to ordinary general meetings, approve the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid or allotted to Christian Guillemot by virtue of his office as Deputy Chief Executive Officer in respect of the fiscal year ended December 31, 2021, as set out in section 21.6.2 of the report on corporate governance, appended to the management report for the fiscal year ended December 31, 2021.

RESOLUTION 10

(Approval of disclosures about compensation payable to executive officers as laid down in section I of Article L.22-10-9 of the French Commercial Code)

The shareholders, pursuant to the provisions laid down in section I of Article L.22-10-34 of the French Commercial Code and voting under the quorum and majority requirements applicable to ordinary general meetings, approve the information referred to in section I of Article L.22-10-9 of the French Commercial Code on corporate officers, set out in section 21.6.3 of the report on corporate governance, appended to the management report for the fiscal year ended December 31, 2021.

RESOLUTION 11

(Approval of the compensation policy for executive officers in accordance with section II of Article L.22-10-8 of the French Commercial Code)

The shareholders, pursuant to the provisions laid down in section II of Article L.22-10-8 and Article R.22-10-14 of the French Commercial Code and voting under the quorum and majority requirements applicable to ordinary general meetings, approve the compensation policy for executive officers as set out in section 21.6.4 of the report on corporate governance, appended to the management report for the fiscal year ended December 31, 2021.

RESOLUTION 12

(Reappointment of Michel Guillemot as a director)

Having noted that Michel Guillemot's term of office as a director expires today, the shareholders, voting under the quorum and majority requirements applicable to ordinary general meetings, agree to reappoint him as a director for six years, expiring at the end of the ordinary general meeting to be held in 2028 to approve the financial statements for the previous fiscal year.

RESOLUTION 13

(Reappointment of Gérard Guillemot as a director)

Having noted that Gérard Guillemot's term of office as a director expires today, the shareholders, voting under the quorum and majority requirements applicable to ordinary general meetings, agree to reappoint him as a director for six years, expiring at the end of the ordinary general meeting to be held in 2028 to approve the financial statements for the previous fiscal year.

RESOLUTION 14

(Reappointment of PricewaterhouseCoopers Audit SAS as a principal statutory auditor)

Having noted that PricewaterhouseCoopers SAS's term as a principal statutory auditor expires at the close of this shareholders' general meeting, the shareholders, voting under the quorum and majority requirements applicable to ordinary general meetings, agree, at the proposal of the Board of Directors, to reappoint it for a further six years, expiring at the close of the ordinary general meeting to be held to approve the financial statements for the fiscal year ending in 2027.

RESOLUTION 15

(Appointment of Emmanuel Benoist as an alternate statutory auditor)

Having noted that Jean-Christophe Georghiou's term as an alternate statutory auditor expires at the close of this shareholders' general meeting, the shareholders, voting under the quorum and majority requirements applicable to ordinary general meetings, agree, at the proposal of the Board of Directors, to appoint Emmanuel Benoist, of 63 Rue de Villiers, 92208 Neuilly-sur-Seine, as an alternate statutory auditor for a period of six years, expiring at the close of the ordinary general meeting to be held to approve the financial statements for the fiscal year ending in 2027.

RESOLUTION 16

(Appointment of Toadenn Audit SARL as a principal statutory auditor)

Having noted that MB Audit SARL's term as an alternate statutory auditor expires at the close of this shareholders' general meeting, the shareholders, voting under the quorum and majority requirements applicable to ordinary general meetings, agree, at the proposal of the Board of Directors, to appoint Toadenn Audit SARL, of 20 Rue des Loges, 35135 Chantepie, as an alternate statutory auditor for a period of six years, expiring at the close of the ordinary general meeting to be held to approve the financial statements for the fiscal year ending in 2027.

RESOLUTION 17

(Appointment of Jérôme Compain as an alternate statutory auditor)

Having noted that Sébastien Legeai's term as an alternate statutory auditor expires at the close of this shareholders' general meeting, the shareholders, voting under the quorum and majority requirements applicable to ordinary general meetings, agree, at the proposal of the Board of Directors, to appoint Jérôme Compain, of 1 Rue des Mimosas, 22190 Plérin-sur-Mer, as an alternate statutory auditor for a period of six

years, expiring at the close of the ordinary general meeting to be held to approve the financial statements for the fiscal year ending in 2027.

RESOLUTION 18

(Authorization to be granted to the Board of Directors to trade in the Company's shares)

Having familiarized themselves with the report by the Board of Directors including a description of the share buyback program in accordance with Articles 241-1ff. of the General Regulation of the Autorité des Marchés Financiers (France's financial market regulator, the AMF), the shareholders, voting under the quorum and majority requirements applicable to ordinary general meetings, authorize the Board of Directors, in accordance with the provisions of Articles L.22-10-62ff. of the French Commercial Code, Regulation 596/2014 of the European Parliament and of the Council on market abuse, the AMF's General Regulation and market practices accepted by the AMF, to purchase up to a maximum of 10% of the total number of shares of the Company, with such percentage applying to capital after adjustments reflecting any transactions that may affect it subsequent to this meeting, for the purpose of:

- making a market in and thus ensuring the liquidity of the Company's shares, through an investment services provider acting independently under the terms of a liquidity agreement that complies with the AMF decision renewing the use of liquidity agreements covering shares as an accepted market practice;
- holding and subsequently remitting shares in payment or exchange in connection with potential external growth transactions, with the proviso that the number of shares thus purchased may not exceed 5% of shares making up the share capital;
- covering securities representing debt instruments that entitle the holder, by way of conversion, exercise, redemption or exchange, to an allotment of shares of the Company;
- covering stock option programs and/or any other form of allocation of shares to employees and/or executive officers of the Company and/or the Group;
- retiring some or all shares, subject to the shareholders approving a specific resolution at an extraordinary general meeting;
- carrying out any transaction that is allowed or that might become authorized by regulations subsequent to this meeting, notably where such transaction is in line with a market practice that comes to be accepted or renewed by the AMF.

Where shares are bought back for liquidity purposes, the number of shares included for the purpose of calculating the aforementioned 10% limit shall be the number of shares purchased less the number of shares resold during the term of this authorization.

The number of shares the Company may directly or indirectly hold may not at any time exceed 10% of the Company's share capital, with such percentage applying to capital after adjustments reflecting any transactions that may affect it subsequent to this meeting.

The maximum purchase price shall be €40 per share.

The maximum amount allocated to the share buyback program shall be €10 million.

Shares may be purchased, sold or transferred by any method, through one or more transactions, on the market, off market or over the counter, including through the purchase or sale of blocks of shares. Such transactions shall be undertaken in accordance with applicable laws and regulations at the transaction date. They may take place at any time, subject to closed periods laid down in legal and regulatory provisions.

The shareholders grant all powers to the Board of Directors, with the option to subdelegate those powers under the conditions laid down in legislation and regulations, to decide to implement the aforementioned share buyback program, enter into agreements, place orders, and allocate or reallocate any shares purchased, in accordance with legal and regulatory provisions and all required formalities and declarations and, more generally, to take any action that may be required.

This authorization is granted for a period of 18 months with effect from the date of this meeting. It cancels any unused portion of the authorization granted at the shareholders' general meeting of May 27, 2021.

RESOLUTION 19

(Completion of legal formalities following the Ordinary General Meeting)

The shareholders, voting under the quorum and majority requirements applicable to ordinary general meetings, grant all powers to the holder of an original, copy or extract of the official record of this meeting to undertake all required legal formalities.

- Within the authority of the Extraordinary General Meeting

RESOLUTION 20

(Authorization to be granted to the Board of Directors to reduce the share capital by retiring shares of the Company)

Having familiarized themselves with the report by the Board of Directors and the statutory auditors' report, the shareholders, voting under the quorum and majority requirements applicable to extraordinary general meetings and in accordance with Article L.22-10-62 of the French Commercial Code, authorize the Board of Directors, at its sole discretion, to retire some or all of any treasury shares held by the Company subsequent to buybacks carried out under the share buyback program authorized by Resolution 18 submitted to the shareholders at this meeting, or previously authorized buybacks, in one or more transactions and at any time, including during a public tender offer for the Company, up to a maximum of 10% of the Company's share capital per 24-month period, with such percentage applying to capital after adjustments reflecting any transactions that may affect it subsequent to this meeting.

The shareholders delegate all powers to the Board of Directors to reduce the share capital by retiring shares, stipulate the terms of any such reduction in the share capital, apply any difference between the carrying amount and the par value of shares thus retired to any available reserve or premium account, certify the completion of any such reduction in the share capital, make any corresponding amendments to the Articles of Incorporation and undertake all required formalities.

This authorization is granted for a period of 18 months with effect from the date of this meeting. It terminates the authorization granted at the shareholders' general meeting of May 27, 2021.

RESOLUTION 21

(Completion of legal formalities following the Extraordinary General Meeting)

The shareholders, voting under the quorum and majority requirements applicable to extraordinary general meetings, grant all powers to the holder of an original, copy or extract of the official record of this meeting to undertake all required legal formalities.

3. REPORT BY THE BOARD OF DIRECTORS

Dear Shareholders,

We have convened this combined shareholders' general meeting to submit for your approval the financial statements for the fiscal year ended December 31, 2021, to propose the reappointment of two directors and one principal statutory auditor and the appointment of one principal and two alternate statutory auditors, and to ask you to vote on resolutions granting authorizations to the Board of Directors.

Resolutions 1, 2, 3 and 4 concern the financial statements for the fiscal year ended December 31, 2021, and in particular:

- approval of the parent company and consolidated financial statements as at that date;
- appropriation of parent company earnings for the fiscal year, namely a profit of €28,045,631.22, which we propose be appropriated as follows:
 - Other reserves: €24,223,761.22
 - Dividends: €3,821,870.00
- approval of regulated agreements in force during the fiscal year ended December 31, 2021 authorized in advance by the Board of Directors.

Resolutions 5, 6, 7, 8 and 9 ask you to approve the components of compensation paid to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officers by virtue of their respective offices during the fiscal year ended December 31, 2021 or allotted to them in respect of that fiscal year, as set out in section 21.6.2 of the report by the Board of Directors on corporate governance, appended to the management report.

Resolution 10 asks you to approve disclosures about compensation payable to executive officers as laid down in section I of Article L.22-10-9 of the French Commercial Code, as set out in section 21.6.3 of the report by the Board of Directors on corporate governance, appended to the management report.

Resolution 11 asks you to approve the compensation policy for executive officers, as set out in section 21.6.4 of the report by the Board of Directors on corporate governance, appended to the management report. It should be noted that this policy is unchanged from that submitted for approval at the Ordinary General Meeting held in 2021.

Resolutions 12 and 13 propose that Michel Guillemot and Gérard Guillemot, whose current terms of office expire at the close of this general meeting, be reappointed as directors. Their proposed reappointment would be for a period of six years, expiring at the end of the shareholders' general meeting to be held in 2028 to approve the financial statements for the previous fiscal year.

With PricewaterhouseCoopers Audit SAS's term as a principal statutory auditor and Jean-Christophe Georghiou's term as an alternate statutory auditor expiring at the close of this meeting:

- Resolution 14 proposes that PricewaterhouseCoopers Audit SAS be reappointed as a principal statutory auditor, and
- Resolution 15 proposes that Emmanuel Benoist be appointed as an alternate statutory auditor, for a period of six years each, expiring at the close of the ordinary general meeting to be held to approve the financial statements for the fiscal year ending in 2027.

With MB Audit SAS's term as a principal statutory auditor and Sébastien Legeai's term as an alternate statutory auditor expiring at the close of this meeting:

- Resolution 16 proposes that Toadenn Audit SARL be appointed as an alternate statutory auditor, and
- Resolution 17 proposes that Jérôme Compain be appointed as an alternate statutory auditor, for a period of six years each, expiring at the close of the ordinary general meeting to be held to approve the financial statements for the fiscal year ending in 2027.

Resolution 18 asks you to authorize the Board of Directors to continue to trade in the Company's shares for the purpose of making a market in those shares, through an investment services provider acting independently under the terms of a liquidity agreement that complies with the decision by the Autorité des Marchés Financiers (AMF) to continue considering share liquidity agreements as an accepted market practice.

The Board of Directors would also like to be able to trade in the Company's shares for the purposes of:

- holding and subsequently remitting shares in payment or exchange in connection with potential external growth transactions, with the proviso that the number of shares purchased for such purpose may not exceed 5% of shares making up the share capital;
- covering securities representing debt instruments that entitle the holder, by way of conversion, exercise, redemption or exchange, to an allotment of shares of the Company;
- covering stock option programs and/or any other form of allocation of shares to employees and/or executive officers of the Company and/or the Group;
- retiring shares thus purchased, subject to the shareholders approving a specific resolution at an extraordinary general meeting;
- carrying out any transaction that is allowed or that might become authorized by regulations subsequent to this meeting, notably where such transaction is in line with a market practice that comes to be accepted or renewed by the AMF.

The proposed authorization would enable the Board to purchase the Company's shares up to a maximum of 10% of the total number of shares making up the share capital at any given time.

The maximum purchase price would be set at €40 per share and the maximum amount allocated to the share buyback program would be set at €10 million.

Shares would be able to be purchased, sold or transferred at any time, through one or more transactions, by any method, on the market, off market or over the counter, including through the purchase or sale of blocks of shares. Such transactions shall be undertaken in accordance with applicable laws and regulations at the transaction date.

This authorization would be granted to the Board of Directors for a period of 18 months with effect from the date of this meeting, with the Board having all powers to decide on its implementation.

Resolution 19 asks you to authorize any person bearing an original, copy or extract of the official record of this meeting to undertake all legal formalities subsequent to the adoption or otherwise of the resolutions falling within the authority of the Ordinary General Meeting.

Resolution 20 asks you to authorize the Board of Directors, if it sees fit, to reduce the Company's share capital by retiring shares that the Company holds or might come to hold as a result of buybacks under the share buyback program proposed in Resolution 18 and/or under previously authorized programs, with the

proviso that the Board would not be able to retire more than 10% of the total number of shares making up the share capital per 24-month period.

This authorization would allow the Board to stipulate the terms of any reduction in the share capital through the retirement of shares, certify the completion of any such reduction in the share capital, apply any difference between the carrying amount and the par value of shares thus retired to any available reserve or premium accounts, and make any corresponding amendments to the Articles of Incorporation.

This authorization would be granted to the Board of Directors for a period of 18 months with effect from this meeting.

Resolution 21 asks you to authorize any person bearing an original, copy or extract of the official record of this meeting to undertake all legal formalities subsequent to the adoption or otherwise of the resolutions falling within the remit of the Extraordinary General Meeting.

We hope the above proposals will meet with your approval.

Rennes, March 23, 2022

The Board of Directors

4. INFORMATION ABOUT DIRECTORS PROPOSED FOR REAPPOINTMENT

Surname	Guillemot
Forename	Michel
Age	63
Positions held within the company	Director, Deputy Chief Executive Officer
Number of Guillemot Corporation shares held	1,056,569
Positions held at other companies	Deputy Chief Executive Officer and director , Ubisoft Entertainment S.A. (France) Chief Executive Officer , Guillemot Brothers SAS (France) Chairman and director , Ariann Finance Inc. (Canada), Divertissements Playwing Inc. (Canada), Laboratoire de recherche sur l'intelligence artificielle (AIRLAB) Inc. (Canada) Director , Guillemot S.A. (Belgium), Guillemot Ltd. (United Kingdom), Guillemot Inc. (United States), Guillemot Inc. (Canada), AMA S.A. (France), Playwing Ltd. (Bulgaria) Director , Playwing Ltd. (United Kingdom), AMA Corporation plc (United Kingdom), Artificial Intelligence Research Lab Ltd. (United Kingdom) Director and Deputy Chief Executive Officer , Guillemot Brothers Ltd. (United Kingdom)
Biography	A graduate of the EDHEC business school and holder of a DECS post-graduate degree in accountancy, Michel Guillemot co-founded Guillemot Corporation Group (a designer and maker of interactive entertainment hardware and accessories under the Hercules and Thrustmaster brands) with his four brothers and serves as Deputy Chief Executive Officer and director of Guillemot Corporation S.A. His 40 years' experience in the information technology and video games industry, entrepreneurial spirit and in-depth knowledge of the mobile industry make him a recognized expert in the field. He also founded mobile video game vendor Gameloft, where he served as Chairman and Chief Executive Officer for 16 years. Under his leadership, Gameloft enjoyed a period of strong and rapid growth from 2001 to 2016, becoming a global leader and one of the world's leading mobile game developers. Michel Guillemot also co-founded the Ubisoft Entertainment Group (a designer and vendor of interactive PC and console games) in 1986, and serves as Deputy Chief Executive Officer and director of Ubisoft Entertainment S.A. with responsibility for strategic and financial development. Now based in London, he is also founder as well as Chairman and Chief Executive Officer of Playwing Ltd., Laboratoire de recherche sur l'intelligence artificielle (AIRLAB) Inc. and Ariann Finance Inc.

Surname	Guillemot
Forename	G�rard
Age	60
Positions held within the company	Director, Deputy Chief Executive Officer
Number of Guillemot Corporation shares held	986,246
Positions held at other companies	Deputy Chief Executive Officer and director , Ubisoft Entertainment S.A. (France) Chief Executive Officer , Guillemot Brothers SAS (France) Chairman , Longtail Studios Inc. (United States), Longtail Studios Halifax Inc. (Canada), Longtail Studios PEI Inc. (Canada) Chairman and director , Ubisoft L.A. Inc. (United States), Script Movie Inc. (United States) Director , Guillemot Ltd. (United Kingdom), Guillemot Inc. (United States), Guillemot Inc. (Canada), AMA S.A. (France) Director , Playwing Ltd. (United Kingdom), AMA Corporation plc (United Kingdom) Director and Deputy Chief Executive Officer , Guillemot Brothers Ltd. (United Kingdom) Deputy Chairman , Dev Team LLC (United States)
Biography	<p>After graduating from the EDHEC business school in Lille, G�rard Guillemot oversaw the establishment of the North American studios of Ubisoft Entertainment Group, specializing in the design and sale of interactive PC and console games, which he founded along with his four brothers in 1986.</p> <p>He has managed the Cinema division of Ubisoft (Motion Pictures) since 2016. He is also Deputy Chief Executive Officer and director of Ubisoft Entertainment S.A.</p> <p>He previously launched Gameloft.com, an online gaming portal whose IPO he subsequently oversaw.</p> <p>G�rard Guillemot is now based in New York and serves as Chairman of US company Longtail Studios Inc., which he formed in 2003 and which designs educational smartphones and tablets apps.</p> <p>He also co-founded Guillemot Corporation Group (a designer and maker of interactive leisure hardware and accessories under the Hercules and Thrustmaster brands) and serves as Deputy Chief Executive Officer and director of Guillemot Corporation S.A.</p>

5. STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

Shareholders' general meeting to approve the financial statements for the fiscal year ended December 31, 2021

The Shareholders
Guillemot Corporation
Place du Granier
35571 Chantepie Cedex

In our capacity as the Company's statutory auditors, we hereby present our report on regulated agreements.

It is not our responsibility to ascertain whether or not such agreements exist, nor to comment on their relevance or substance; we are simply required to report, based on the information provided, the essential terms and conditions of those agreements that have been disclosed to us or that we have discovered during our audit, as well as their benefit to the Company. Under the terms of Article R.225-31 of the French Commercial Code, it is your responsibility to determine whether these agreements are appropriate and should be approved.

Furthermore, it is our responsibility to communicate to you, where applicable, the information laid down in Article R.225-31 of the French Commercial Code on the performance during the past fiscal year of agreements already approved by the shareholders.

We have undertaken the checks we consider necessary in relation to this audit in light of the professional standards adopted by the French National Company of Statutory Auditors (Compagnie nationale des commissaires aux comptes). These checks consist of ensuring that the information provided to us is consistent with the original documents from which it was taken.

AGREEMENTS SUBJECT TO APPROVAL BY THE SHAREHOLDERS

Agreements authorized and entered into during the last fiscal year

Pursuant to Article L.225-40 of the French Commercial Code, we have been notified of the following agreements entered into during the past fiscal year and authorized in advance by the Board of Directors.

1 - Guarantee given to Guillemot Limited

Directors concerned: Claude Guillemot, Michel Guillemot, Gérard Guillemot and Christian Guillemot
Deputy Chief Executive Officer concerned: Yves Guillemot

Nature and purpose: on May 10, 2021, the Company gave a guarantee to its UK subsidiary Guillemot Limited to allow the latter to be exempted from the requirement to have its financial statements for the fiscal year ended December 31, 2020 audited by a statutory auditor.

Benefit to the Company: enables the Guillemot Limited subsidiary to make a substantial saving by reducing its year-end accounting costs, which is in the financial interest of Guillemot Corporation S.A.

Terms: guarantees all liabilities on Guillemot Limited's balance sheet at December 31, 2020 until such time as those liabilities are settled in full.

This agreement was authorized by the Board of Directors on April 28, 2021.

2 - Letter of support in favor of Guillemot Limited

Directors concerned: Claude Guillemot, Michel Guillemot, Gérard Guillemot and Christian Guillemot
Deputy Chief Executive Officer concerned: Yves Guillemot

Nature and purpose: on May 10, 2021, the Company issued a letter of support in favor of its UK subsidiary Guillemot Limited to enable the latter to continue to operate in the United Kingdom.

Benefit to the Company: enables the Guillemot Limited subsidiary, which undertakes sales, promotion and marketing activities in the United Kingdom, the leading European market for video game accessories, and where it is therefore important that Guillemot Corporation S.A. maintain a presence through its subsidiary, to continue to operate in the United Kingdom.

Terms: confirmation of the Company's intention to continue to provide financial support to Guillemot Limited for a period of 12 months with effect from the date on which the latter's financial statements for the fiscal year ended December 31, 2020 were approved.

This agreement was authorized by the Board of Directors on April 28, 2021.

AGREEMENTS ALREADY APPROVED BY THE SHAREHOLDERS

Agreements approved during prior fiscal years

Pursuant to Article R.225-30 of the French Commercial Code, we have been advised that the following agreements, already approved by the shareholders in the course of previous fiscal years, remained in force in the past fiscal year.

1 - Lease agreement with Guillemot Administration et Logistique SARL

Director concerned: Christian Guillemot

Nature and purpose: on December 1, 2002, the Company entered into a lease agreement with Guillemot Administration et Logistique SARL. This agreement was approved by the Board of Directors on November 29, 2002. A first amendment to the aforementioned lease agreement, changing the surface area to 3,636 square meters and the monthly rental to €6,561.40 excluding taxes, was signed on February 14, 2006 and took effect on March 1, 2006. This agreement was approved by the Board of Directors on February 7, 2006. A second amendment to the aforementioned lease agreement, changing the surface area to 5,466 square meters and the monthly rental to €9,343.00 excluding taxes, was signed on September 14, 2007 and took effect on September 17, 2007.

Terms: rental payments received in the fiscal year totaled €112,116.00 excluding taxes.

This agreement was approved by the Board of Directors on August 20, 2007.

2 - Lease agreement with Guillemot Administration et Logistique SARL

Director concerned: Christian Guillemot

Nature and purpose: on July 1, 2010, the Company entered into a commercial lease agreement with Guillemot Administration et Logistique SARL for office space totaling 667 square meters at an annual rental of €55,361 excluding taxes. This agreement was authorized by the Board of Directors on July 1, 2010. An amendment to the aforementioned lease agreement, changing the surface area to 640 square meters and the monthly rental to €53,120 excluding taxes, was signed on October 30, 2012 and took effect on November 1, 2012.

Terms: rental payments received in the fiscal year totaled €53,120.00 excluding taxes.

This agreement was authorized by the Board of Directors on October 24, 2012.

3 - Lease agreement with Hercules Thrustmaster SAS

Director concerned: Claude Guillemot

Nature and purpose: on July 1, 2010, the Company entered into a commercial lease agreement with Hercules Thrustmaster SAS for office space totaling 570 square meters. The annual rental is set at €47,310 excluding taxes.

Terms: rental payments received in the fiscal year totaled €47,310 excluding taxes.

This agreement was authorized by the Board of Directors on July 1, 2010.

4 - Lease agreement with Ubisoft International SAS

Deputy Chief Executive Officer concerned: Yves Guillemot

Nature and purpose: on July 1, 2010, the Company entered into a commercial lease agreement with Ubisoft Books and Records SASU for office space totaling 111 square meters. This agreement was authorized by the Board of Directors on July 1, 2010. An amendment to the aforementioned lease agreement was signed on March 28, 2012 noting that Ubisoft International SAS had inherited all the assets, rights and obligations of Ubisoft Books and Records SASU, the latter having been dissolved pursuant to the provisions of Article 1844-5 of the French Civil Code, with effect from November 30, 2011. The annual rental is set at €9,213 excluding taxes.

Terms: rental payments received in the fiscal year totaled €9,213 excluding taxes.

This agreement was authorized by the Board of Directors on March 28, 2012.

5 - Lease agreement with Guillemot Innovation Labs SAS

Director concerned: Claude Guillemot

Nature and purpose: on October 30, 2012, the Company entered into a commercial lease agreement with Guillemot Innovation Labs SAS for office space totaling 27 square meters, which agreement took effect on November 1, 2012. The annual rental is set at €2,241 excluding taxes.

Terms: rental payments received in the fiscal year totaled €2,241.00 excluding taxes.

This agreement was authorized by the Board of Directors on October 24, 2012.

6 - Letter of comfort issued to Guillemot GmbH

Director concerned: Claude Guillemot

Nature and purpose: on April 28, 2014, the Company issued a letter of comfort in favor of its German subsidiary Guillemot GmbH (committing to ensure that Guillemot GmbH has sufficient financial resources to meet all its obligations toward third parties and its employees).

This agreement was authorized by the Board of Directors on April 28, 2014.

7 - Guarantee given to Guillemot Limited

Directors concerned: Claude Guillemot, Michel Guillemot, Gérard Guillemot and Christian Guillemot

Deputy Chief Executive Officer concerned: Yves Guillemot

Nature and purpose: on June 2, 2020, the Company issued a guarantee to its UK subsidiary Guillemot Limited to allow the latter to be exempted from the requirement to have its financial statements for the fiscal year ended December 31, 2019 subjected to a statutory auditor.

Terms: guarantees all liabilities on Guillemot Limited's balance sheet at December 31, 2019 (totaling £4,312) until such time as those liabilities are settled in full.

Benefit to the Company: enables the Guillemot Limited subsidiary to make a substantial saving by reducing its year-end accounting costs, which is in the financial interest of Guillemot Corporation S.A.

This agreement was authorized by the Board of Directors on April 29, 2020.

8 - Letter of support in favor of Guillemot Limited

Directors concerned: Claude Guillemot, Michel Guillemot, Gérard Guillemot and Christian Guillemot

Deputy Chief Executive Officer concerned: Yves Guillemot

Nature and purpose: on June 2, 2020, the Company issued a letter of support in favor of its UK subsidiary Guillemot Limited to enable the latter to continue to operate in the United Kingdom, the leading European market for video game accessories, where it undertakes sales, promotion and marketing activities.

Terms: confirmation of the Company's intention to continue to provide financial support to Guillemot Limited for a period of 12 months with effect from the date on which the latter's financial statements for the fiscal year ended December 31, 2019 were approved.

Benefit to the Company: enables the Guillemot Limited subsidiary, which undertakes sales, promotion and marketing activities in the United Kingdom, the leading European market for video game accessories, and where it is therefore important that Guillemot Corporation S.A. maintain a presence through its subsidiary, to continue to operate in the United Kingdom.

This agreement was authorized by the Board of Directors on April 29, 2020.

9 - Membership of the compulsory supplementary group health insurance scheme

Directors concerned: Claude and Christian Guillemot

Deputy Chief Executive Officer concerned: Yves Guillemot

Nature and purpose: Claude Guillemot, Yves Guillemot and Christian Guillemot are each members of the compulsory supplementary group health insurance scheme taken out by the Company with Predica.

Terms: the amount of contributions recognized in expenses in the fiscal year totaled €867 excluding taxes.

Benefit to the Company: helps maintain the value for money of cover taken out with Predica by increasing the number of scheme members.

These agreements were authorized by the Board of Directors on April 27, 2016; their effects were backdated to January 1, 2016 for Claude Guillemot and Christian Guillemot and to March 1, 2016 for Yves Guillemot.

Nantes and Bruz, April 25, 2022

The statutory auditors

PricewaterhouseCoopers Audit	MB Audit
Gwenaél Lhuissier	Khadija Roullé

➤ OTHER INFORMATION

1. GENERAL INFORMATION ABOUT GUILLEMOT CORPORATION S.A.

1.1 Information about the issuer

Company name	GUILLEMOT CORPORATION
Trade name	Guillemot
Legal form	Public limited company (<i>société anonyme</i>) with a Board of Directors governed by the French Commercial Code
Headquarters	Address: Place du Granier, BP 97143, 35571 Chantepie Cedex, France Telephone: + 33 (0)2 99 08 08 80
Nationality	French
Country of incorporation	France
Company registration number	414 196 758 Rennes
APE activity code	4651Z
Creation date and duration	Established September 1, 1997 for a duration of 99 years Expires November 11, 2096 unless extended or wound up early.
Legal Entity Identifier (LEI)	969500N24EZ7HPKJIV79
Fiscal year	The Company's fiscal year runs from January 1 to December 31 (as per Article 16 of the Articles of Incorporation).
Website*	www.guillemot.com

* Information contained on this website does not form part of this universal registration document unless incorporated into it by reference.

1.2 Corporate purpose of Guillemot Corporation S.A.

Guillemot Corporation S.A.'s purpose, in France and abroad, directly or indirectly, is as follows:

- The design, creation, production, publication and distribution of multimedia, audiovisual and IT products, including in particular multimedia hardware, accessories and software
- The purchase, sale and, more generally, trading in all its forms, whether by import or export, through leasing or otherwise, of multimedia, audiovisual and IT products as well as image and sound reproduction hardware and products
- The distribution and marketing of multimedia, audiovisual and IT products by any method, including new communication technologies such as online networks and services
- The provision of consulting, support and training in relation to any of the aforementioned areas
- Participation by the Company in transactions related to its purpose through the creation of new companies, subscription or purchase of shares, mergers or otherwise.

More generally, transactions of any kind directly or indirectly related to the above purpose or any similar or closely related purpose and likely to facilitate the Company's development.

1.3 Regulatory environment

The Group operates in the consumer computing and video game consoles market and supplies consumer accessories.

The regulatory environment in which it operates notably includes the RoHS (Restriction of Hazardous Substances) and WEEE (Waste Electrical and Electronic Equipment) directives and the REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) regulation. While the Group is careful to monitor regulatory developments in the various countries in which it operates, it cannot completely rule out the possibility that some developments may escape its notice.

1.4 Available documents

The Articles of Incorporation, financial statements and reports, and minutes of shareholders' general meetings are made available by the company for consultation at [2 Rue du Chêne Héleuc, 56910 Carentoir](#).

Furthermore, the following documents are available to view via the Company's website at www.guillemot.com throughout the validity period of this registration document:

- The issuer's Articles of Incorporation
- All reports and historical financial information included or referred to in this universal registration document
- Historical financial information for the two fiscal years preceding publication of this universal registration document

1.5 Changes of control

Neither the certificate of incorporation, nor the Articles of Incorporation, nor any charter or regulation of the Company contain any provision that would have the effect of delaying, deferring or preventing a change of control.

1.6 Identifiable bearer shares

In accordance with legislation and regulations, the Company may at any time make use of Euroclear France's TPI (*Titres au Porteur Identifiable* – Identifiable Bearer Shares) procedure to obtain detailed information about the identity of its shareholders.

1.7 Dividend policy

To date, Guillemot Corporation S.A. has not adopted any formal dividend policy.

It intends to pay dividends to its shareholders as long as the requisite financial conditions are met. Dividends were paid in 2019 in respect of fiscal year 2018 and in 2021 in respect of fiscal year 2020 (cf. section 4.2.2.4 of the management report).

2. PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND DECLARATION

2.1 Persons responsible for the information contained in the universal registration document

Claude Guillemot, Chairman and Chief Executive Officer

2.2 Declaration by the persons responsible for the universal registration document

I hereby certify that the information contained in this universal registration document is, to the best of my knowledge, in accordance with the facts and contains no omissions likely to affect its import.

I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and provide a true and fair view of the assets, financial position and earnings of the Company and all companies included within the consolidated group, and that the management report set out on pages 8 to 116 provides an accurate picture of the business performance, results and financial position of the Company and all companies included within the consolidated group and describes the key risks and uncertainties facing those companies.

Carentoir, April 26, 2022

Claude Guillemot
Chairman and Chief Executive Officer

3. PERSONS RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

Principal statutory auditors	Date appointed	Expiry of current term
PRICEWATERHOUSECOOPERS AUDIT SAS (Member of the Versailles regional association of auditors) 63 Rue de Villiers 92200 Neuilly-sur-Seine	Shareholders' general meeting of May 20, 2010 Reappointed May 26, 2016	Shareholders' general meeting held to approve the financial statements for the fiscal year ended December 31, 2021
MB AUDIT SARL (Member of the Rennes regional association) 9 Place du Vert Buisson BP 67135 35170 Bruz	Shareholders' general meeting of May 23, 2007 Reappointed July 5, 2010 and May 26, 2016	Shareholders' general meeting held to approve the financial statements for the fiscal year ended December 31, 2021
Alternate statutory auditors	Date appointed	Expiry of current term
Jean-Christophe Georghiou 63 Rue de Villiers 92200 Neuilly-sur-Seine	Shareholders' general meeting of May 26, 2016	Shareholders' general meeting held to approve the financial statements for the fiscal year ended December 31, 2021
Sébastien Legeai 2 Rue de la Chaudronnerais 35133 Beaucé	Shareholders' general meeting of June 4, 2020	Shareholders' general meeting held to approve the financial statements for the fiscal year ended December 31, 2021

Fees paid to the statutory auditors and members of their networks are set out in section 8 of the consolidated financial statements.

At the shareholders' general meeting of June 9, 2022, the shareholders of Guillemot Corporation S.A. will be asked to:

- reappoint PricewaterhouseCoopers Audit SAS as a principal statutory auditor;
- appoint Emmanuel Benoist, of 63 Rue de Villiers, 92208 Neuilly-sur-Seine, as an alternate statutory auditor to replace Jean-Christophe Georghiou, whose term is expiring;
- appoint Toadenn Audit SARL, of 20 Rue des Loges, 35135 Chantepie, as a principal statutory auditor to replace MB Audit SARL, whose term is expiring; and
- appoint Jérôme Compain, of 1 Rue des Mimosas, 22190 Plérin-sur-Mer, as an alternate statutory auditor to replace Sébastien Legeai, whose term is expiring.

4. CALENDAR OF PUBLICATIONS FOR THE CURRENT FISCAL YEAR AND REPORTING POLICY

This calendar is provided for information only and is subject to change.

Financial releases are usually issued after market close.

FINANCIAL COMMUNICATIONS – 2022 CALENDAR		
January 27, 2022	After market close	Full-year 2021 turnover
March 24, 2022	After market close	Annual results to December 31, 2021
April 28, 2022	After market close	First-quarter 2022 turnover and quarterly reporting
June 9, 2022	-	Guillemot Corporation S.A. Annual General Meeting
July 28, 2022	After market close	First-half 2022 turnover
September 22, 2022	After market close	2022 interim results
October 27, 2022	After market close	Third-quarter 2022 turnover and quarterly reporting

To meet the requirements laid down by the Autorité des Marchés Financiers (AMF), the Guillemot Corporation Group prepares a detailed calendar for the publication of news releases and Group meetings. The Group endeavors to regularly and consistently provide all institutional and individual shareholders and the financial community (analysts, etc.) with transparent financial reporting on its business, strategic direction and outlook, in accordance with stock exchange regulations.

The Group's reporting policy with regard to the financial community, investors and shareholders is established by senior management:

Claude Guillemot, Chairman and Chief Executive Officer
Place du Granier, BP 97143, 35571 Chantepie Cedex - Tel. +33 (0) 2 99 08 08 80

With effect from January 1, 2013, the Company passes on regulated information to business publisher Les Échos-Comfi, which also meets the criteria laid down by the AMF and those set out in the European Union Transparency Directive.

The Group regularly and consistently keeps its shareholders informed of its results and strategic direction, in keeping with stock market regulations. All of the Group's financial releases are widely distributed in full and without delay, in accordance with regulatory requirements and within the timescales laid down in laws and regulations.

Financial releases are also available from various financial websites (e.g. www.boursorama.fr and www.prline.fr).

All publications relating to the Group's business and financial position are available in French and English from the Guillemot Corporation S.A. website (www.guillemot.com). This website also provides an overview of the Group's business and products, and is regularly updated to make it easier and quicker to use. Shareholders can contact the Company at financial@guillemot.fr.

The Group holds two SFAF (*Société Française des Analystes Financiers* – French Society of Financial Analysts) meetings when its results are released. In light of the public health crisis caused by the Covid-19 pandemic, the Group's management has since 2020 preferred that meetings be held remotely via Teams.

All of the Group's publications (news releases, universal registration documents, annual financial reports, etc.) are available on request from the Communications Department, which makes them available to anyone wishing to keep up to date with Group news and is happy to send out regular documentation on request.

5. CROSS-REFERENCE TABLE AND OTHER TABLES

5.1 Cross-reference table – Universal registration document

The cross-reference table set out below refers to key sections of Annexes 1 and 2 of Commission Delegated Regulation (EU) 2019/980 of March 14, 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, which entered into force on July 21, 2019.

No.	SECTION	Pages
1	RESPONSIBLE PERSONS, INFORMATION FROM THIRD PARTIES, EXPERT STATEMENTS AND APPROVAL FROM THE COMPETENT AUTHORITY	
1.1	Persons responsible for the universal registration document	206
1.2	Declaration by the persons responsible	206
1.3	Expert declaration or statement	N/A
1.4	Declaration concerning information from third parties	N/A
1.5	Declaration (filing without prior approval)	2
2	STATUTORY AUDITORS	
2.1	Statutory auditors	207
2.2	Potential change of statutory auditors	207
3	RISK FACTORS	44-46
4	INFORMATION ABOUT THE ISSUER	
4.1	Issuer's company name and trade name	205
4.2	Issuer's place of registration, registration number and LEI	205
4.3	Issuer's date of incorporation and duration	205
4.4	Issuer's headquarters and legal form, legislation governing its business, country of incorporation, registered address, telephone number and website	205
5	BUSINESS OVERVIEW	
5.1	Main business	
5.1.1	Nature of issuer's operations and main business	8-22
5.1.2	Key new products brought to market	8-22
5.2	Key markets	185-191
5.3	Key events in the development of the issuer's business	22-28
5.4	Strategy and objectives	34
5.5	Potential dependencies on patents or licenses, manufacturing, commercial or financial agreements, or new production processes	34
5.6	Competitive position	25
5.7	Investments	
5.7.1	Major investments	22, 131-134
5.7.2	Key investments in progress or in respect of which a firm commitment has been entered into	34-35
5.7.3	Information about joint ventures and companies in which the issuer holds an equity stake that is liable to significantly affect the measurement of its assets and liabilities, financial position or results	36-37, 165
5.7.4	Environmental issues that may influence the use of the issuer's property, plant and equipment	61-64
6	ORGANIZATIONAL STRUCTURE	
6.1	Summary description of the Group to which the issuer belongs	36-37
6.2	List of key subsidiaries	36, 165
7	REVIEW OF FINANCIAL POSITION AND PERFORMANCE	
7.1	Financial position	
7.1.1	Performance and results	22-23, 28-31, 139-140
7.1.2	Likely future trend in the issuer's business and research and development activities	22, 34
7.2	Operating performance	
7.2.1	Key factors significantly influencing the issuer's operating revenue	22-24
7.2.2	Reasons for significant changes in net sales or net income	22-24

No.	SECTION	Pages
8	CASH AND CAPITAL	
8.1	Information about the issuer's capital	117, 119, 137-138
8.2	Source, amount and description of cash flows	30-31, 120, 137
8.3	Issuer's funding requirements and funding structure	139-140, 142-143
8.4	Restrictions on the use of capital that may have significantly influenced, or may in the future significantly influence, the issuer's business	51, 139-140
8.5	Sources of funding expected to be necessary to meet the commitments referred to in point 5.7.2	None
9	REGULATORY ENVIRONMENT	205
10	INFORMATION ABOUT TRENDS	
10.1	Recent key trends affecting production, sales, inventory, costs and selling prices and significant changes in financial performance since the end of the last fiscal year	34-35, 146
10.2	Known trends, uncertainties, constraints, commitments or events that are reasonably likely to significantly influence the issuer's outlook for at least the current fiscal year	34-35, 146
11	EARNINGS FORECASTS OR ESTIMATES	
11.1	Forecast or estimated earnings	34
11.2	Key assumptions underpinning forecast or estimated earnings	34
11.3	Declaration concerning the preparation and production of forecast or estimated earnings	34
12	ADMINISTRATIVE, EXECUTIVE AND SUPERVISORY BODIES AND SENIOR MANAGEMENT	
12.1	Information about directors and executives	72-78
12.2	Conflicts of interest within administrative and executive bodies	80
13	COMPENSATION AND BENEFITS	
13.1	Amount of compensation paid and benefits in kind awarded	84-87
13.2	Amounts provisioned or recognized in respect of the payment of pensions, retirement or other similar benefits	84-114
14	OPERATION OF ADMINISTRATIVE AND EXECUTIVE BODIES	
14.1	Duration and expiry of current terms of office	72-78
14.2	Service agreements between directors and executives and Group companies under which benefits may become due on expiry of such agreement	80
14.3	Audit committee and compensation committee	82-83
14.4	Declaration of compliance with corporate governance standards	72
14.5	Potential material impacts on corporate governance	81
15	EMPLOYEES	
15.1	Number of employees	57, 145
15.2	Employee shareholding and stock options	37-39, 71, 84-85
15.3	Agreement providing for employee shareholding	None
16	MAJOR SHAREHOLDERS	
16.1	Shareholders holding more than 5% of the share capital or voting rights	37-39
16.2	Different voting rights	38-39
16.3	Control of the issuer	37-39
16.4	Agreements known to the issuer whose subsequent implementation could result in a change of control over the issuer	None
17	RELATED-PARTY TRANSACTIONS	146, 200-204

No.	SECTION	Pages
18	FINANCIAL INFORMATION ABOUT ASSETS AND LIABILITIES, FINANCIAL POSITION AND PERFORMANCE	
18.1	Historical financial information	
	18.1.1 Audited historical financial information and audit report	3, 117-184
	18.1.2 Changes in accounting reference date	None
	18.1.3 Accounting standards	122, 158
	18.1.4 Changes in the primary basis of accounting	None
	18.1.5 Audited financial information	117-146, 154-178
	18.1.6 Consolidated financial statements	117-146
	18.1.7 Date of most recent financial information	Dec 31, 2021
18.2	Interim and other financial information	
	18.2.1 Quarterly financial information published since the date of the last audited financial statements	None
18.3	Audit of historical annual financial information	
	18.3.1 Audit reports	148-153, 179-184
	18.3.2 Other information audited by the statutory auditors included in the registration document	None
	18.3.3 Financial information not drawn from the audited financial statements	None
18.4	Pro forma financial information	None
18.5	Dividend policy	206
18.6	Legal and arbitration proceedings	51
18.7	Material changes in the Group's financial position	35
19	ADDITIONAL INFORMATION	
19.1	Share capital	
	19.1.1 Amount of issued capital	37
	19.1.2 Shares not representing capital	None
	19.1.3 Treasury shares	40-42
	19.1.4 Convertible securities, exchangeable securities and securities with warrants	None
	19.1.5 Conditions governing any right to acquire and/or any obligation attaching to authorized but unissued capital or any undertaking to increase the share capital	None
	19.1.6 Options or agreements to put the capital of any Group member under option	None
	19.1.7 Share capital history and changes	37-39
19.2	Certificate of incorporation and Articles of Incorporation	
	19.2.1 Issuer's corporate purpose	205
	19.2.2 Rights, privileges and restrictions attaching to each share class	None
	19.2.3 Provisions that may delay, postpone or prevent a change of control	206
20	MAJOR CONTRACTS	53
21	AVAILABLE DOCUMENTS	205-206

5.2 Table – Annual financial report

This universal registration document includes the annual financial report referred to in Article L.451-1-2 of the French Monetary and Financial Code as well as in Article 222-3 of the AMF's General regulation.

The table below refers to those sections of the universal registration document that correspond to the various sections of the annual financial report.

SECTION	Pages
1. Parent company financial statements for the fiscal year ended December 31, 2021	154-178
2. Statutory auditors' general report on the parent company financial statements	179-184
3. Consolidated financial statements for the fiscal year ended December 31, 2021	117-146
4. Statutory auditors' report on the consolidated financial statements	148-153
5. Management report	8-116
6. Declaration by persons responsible for the annual financial report	206
7. Report by the Board of Directors on corporate governance as laid down in Article L.225-37 of the French Commercial Code	72-116

5.3 Table – Workforce-related, environmental and social information

WORKFORCE-RELATED INFORMATION		
Employment	Total workforce and breakdown by gender, age and geographical region	57
	Recruitment and dismissals	57
	Compensation	58
Organization of work	Organization of working time	58
	Absenteeism	58
Health and safety	Workplace health and safety conditions	58-59
	Frequency and severity of occupational accidents, and occupational diseases	59
Employee relations	Arrangements for employee dialogue, including in particular procedures for informing, consulting and negotiating with employees	59
	Review of collective agreements, notably as regards occupational health and safety	59
Training	Training policy, notably as regards environmental protection	60
	Total number of hours' training	60
Equality	Measures adopted in support of gender equality	60
	Measures adopted in support of employment and inclusion for people with disabilities	60-61
	Anti-discrimination policy	61

ENVIRONMENTAL INFORMATION		
General environmental policy	Organizational measures to take into account environmental issues and, where applicable, environmental assessment and certification	61
	Safeguarding against environmental risks and pollution	61
	Provisions and guarantees for environmental risk, unless such information could be seriously detrimental to the Company in ongoing litigation	61
Pollution	Prevention, reduction or treatment of discharges into the air, water and soil having a serious impact on the environment	61
	Business-specific forms of pollution, including in particular noise and light pollution	61
Circular economy	Waste prevention and management:	
	- Waste prevention, recycling, reuse and other forms of recovery and elimination	61-62
	- Preventing food waste	62
	Sustainable use of resources:	
	- Water supply and consumption in accordance with local constraints	62
	- Consumption of raw materials and steps taken to improve their efficient use	62-63
Climate change	- Energy consumption, steps taken to improve energy efficiency, and use of renewable energy	63
	- Land use	63
	Significant greenhouse gas emissions arising from the Company's activities, including use of goods and services produced by the Company	63-64
	Adapting to the consequences of climate change	64
Protection of biodiversity	Voluntary medium- and long-term greenhouse gas emissions reduction targets and resources put in place to achieve them	64
	Action taken to protect or restore biodiversity	64

SOCIAL INFORMATION		
Social commitments in support of sustainable development	Impact of the Company's business on employment and local development	65
	Impact of the Company's business on residents and other local populations	65
	Stakeholder relations and dialogue	65
	Partnership and sponsorship	65
Subcontracting and suppliers	Social and environmental issues and procurement policy	65
	Suppliers' and subcontractors' social and environmental responsibility	65
Fair practices	Action in support of consumer health and safety	66
Information about anti-corruption measures	Preventing corruption	66
Information about actions in support of human rights	Promotion of and compliance with the stipulations of the fundamental Conventions of the International Labour Organization	66
	- Freedom of association and the right to collective bargaining	66
	- Eliminating discrimination in respect of employment and professions	66
	- Eliminating forced and compulsory labor	66
	- Abolition of child labor	66-67
	Other actions in favor of human rights	67

6. GLOSSARY

Bluetooth®

A short-range radio technology designed to simplify connections between electronic devices. The first devices using version 3.0 of this technology appeared in early 2010. The technology can now be used to stream audio to wireless speakers.

Design thinking

An immersive, collaborative approach to creating innovative solutions based on observing users and anticipating their issues, harnessing creative momentum to generate new ideas, prototyping new uses and anticipating market developments.

DJ

Abbreviation of disc jockey: a person who chooses and plays music tracks, mainly at private parties or night clubs. DJs may simply play tracks one after the other or mix them and add effects to create their own mixes. Some DJs are now true creatives with global reputations.

DJing

Providing entertainment at parties by scheduling, mixing, adapting and revisiting music at private events (with friends and family or in a non-profit or business environment, etc.), public events (in bars and restaurants, at festivals and concerts, in pubs, etc.) or remotely (via the internet, radio, television, etc.). A DJ's goal is usually to get people dancing.

DJ range

A range of controllers and speakers for digitally mixing music.

EBITDA

Earnings Before Interest, Taxes, Depreciation and Amortization

eSports (electronic sports)

Competitive activities using a digital medium – in this case video games – to compete against other players, improve performance and achieve new personal bests. In practice, multiple players play an online or networked video game as part of a competition (which may be friendly or serious) where they play against professionals or amateurs, either on their own or in teams.

e-tail

A market consisting of operators selling product ranges and brands exclusively online.

Gaming console

A dedicated electronic video game system. There are two types: home consoles, which connect to a television, and small portable consoles with their own screen that can be used on the go. Home gaming consoles have gradually evolved so that, having originally been dedicated solely to amateur gamers, they can now act as family multimedia centers.

Gaming headset/audio headset for connected gamers

An audio headset equipped with a microphone to allow teams of online and networked gamers to communicate with each other.

Influencer

A person who, by virtue of their status, position or media exposure, is able to influence consumer behavior within a given space. Denotes any person who, thanks to the internet and social media in particular, is well known in a specific subject area.

Nintendo Switch

A Nintendo video gaming console launched in March 2017. The Switch is the first hybrid console, able to operate as both a home console and a portable console.

OEM (Original Equipment Manufacturer)

A company tasked with designing and manufacturing a product in accordance with technical specifications, and which then sells the product to another company that distributes it under its own brand.

Retail

A market consisting of mass-market retailers, independent resellers and specialized chains selling product ranges and brands mainly through stores or dedicated retail space.

Smartphone

A smart mobile telephone that combines advanced functionality with a wide range of applications and a touchscreen interface.

Streaming

Listening to music online without downloading it.

Virtual reality (VR)

A technology that immerses the user in a digitally created artificial world. This could be a reproduction of the real world or a completely imaginary universe. The experience involves both visuals and audio, and in some cases uses optical feedback. The system uses a virtual reality headset to place a stereoscopic 3D display system in front of the wearer's eyes.

Webcam

A small digital camera connected to a computer that can be used for online videoconferencing and real-time online broadcasting of video images.

Wi-Fi® (Wireless Fidelity)

A radio frequency technology that can be used to create wireless computer networks and share internet access via a router, modem-router or hotspot (a wireless access point in a public location).

GUILLEMOT CORPORATION S.A.
A public limited company (*société anonyme*) with capital of €11,771,359.60
Company registration no.: 414 196 758 Rennes; APE activity code: 4651Z
Place du Granier, BP 97143, 35571 CHANTEPIE Cedex (Rennes), France
Tel: +33 (0) 2 99 08 08 80