



**SUMMARY OF THE
GUILLEMOT CORPORATION GROUP'S POSITION
DURING THE FISCAL YEAR ENDED DECEMBER 31, 2023**

1. POSITION OF THE COMPANY AND THE GROUP DURING FISCAL 2023

The Group's customers held high levels of inventory at the beginning of 2023 due to a mismatch between expected strong sales and a market downturn. The Group stepped up its promotional activities over the course of the year to reduce its customers' inventories, which are now well balanced.

The Group generated full-year 2023 turnover of €119.1 million, down 37% year on year, with sales down 40% at Thrustmaster but up 14% at Hercules. Turnover was down 24% in the fourth quarter of 2023, at €35.6 million, amid a European market downturn.

Sales outside France totaled €109.5 million in 2023, accounting for 92% of total consolidated turnover:

- The Group's North American sales were down 32% at €37.2 million.
- The Group's sales in the European Union and United Kingdom region declined 36%, down from €93.6 million to €59.5 million.
- Sales in other countries also declined 44% over the period, down from €39.7 million to €22.4 million.

The Group posted net operating income of €2.5 million in 2023, compared with €34.2 million in 2022. Consolidated net income totaled €1.0 million, compared with €20.4 million the previous year. This includes a financial loss of €1.5 million arising from a revaluation loss on the portfolio of Ubisoft Entertainment shares held by the Group.

The accounting gross profit margin for 2023 came out at 49%, down 5 percentage points year on year in an inflationary and highly competitive environment.

Shareholders' equity stood at €101.8 million at December 31, 2023. The Group's financial structure is robust, with net debt negative at -€16.7 million at December 31, 2023 (excluding the portfolio of available-for-sale securities: €10.3 million), compared with a negative net debt position of -€21.3 million at December 31, 2022.

The Group worked throughout 2023 to offer a raft of major new releases so as to instill fresh sales momentum and coincide with a strong crop of new games over the course of the year.

This was reflected in the following actions:

- Expansion of the product range and diversification of the Group's business through the recent launch of a number of new product lines in farming/trucking and streaming to broaden the scope of the Thrustmaster and Hercules brands
- Launch of the *DJControl Inpulse T7* motorized controller, the Hercules brand's new flagship product
- Release of the *T818 Ferrari SF1000 Simulator* racing wheel, officially licensed by Ferrari
- December 2023 launch of a new Ferrari-licensed racing wheel, together with a new gear stick
- Development of two new high-end flight sim accessories
- Release of the *ESWAP XR PRO Controller Forza Horizon 5 Edition* gamepad
- Extension of direct shipping agreements with major e-commerce operators to include Asia so as to more efficiently respond to consumer demand
- Expansion of product listings across all US retail channels

1.1. Thrustmaster news

In 2023, Thrustmaster:

- expanded its racing ecosystem at the end of June, adding a new gear stick, the *TH8S Shifter Add-On*;
- brought to market its *Ferrari 488 GT3 Wheel Add-On*, officially licensed by Ferrari;
- launched the new *SimTask Steering Kit* for farming and trucking applications;
- launched its new *ESWAP X2* gamepad in China (European launch planned for 2024);
- put in place a program of cooperation and discussion between the Group's Research and Development department and video game publishers in anticipation of the release of two major racing games (*The Crew Motorfest* and *Forza Motorsport 8*);
- gained market share in Europe in racing wheels, joysticks and high-end gamepads;
- trained its research and development staff (engineers) and producers in green mechanical design to give them a better understanding of green product design issues.

1.1.1. Racing wheels and accessories

In 2023, the US racing wheel market declined 0.7% by value (to \$127.5 million) and 5.7% by volume. Sales of Thrustmaster racing wheels declined 11.2% by value and 10.5% by volume.

In the top five European countries of France, Germany, the United Kingdom, Italy and Spain, the racing wheel market also declined 19% by value (to €134.5 million) and 12.8% by volume.

Thrustmaster was the number two player in racing wheels, with a market share of 31.1% by value and 19% by volume. Thrustmaster's market share by volume increased 1.5 percentage points.

1.1.2. Gamepads

Since it was launched in 2019, the ESWAP range has gained a loyal following, attracting players of various different eSports games, by standing out from run-of-the-mill gamepads.

The Group regularly adds to its gamepad range, one example being the successful launch of the *ESWAP X2*, representing the next generation of gamepads. Its hot-swap technology enables *S5 NXG* Mini-Stick modules, recognized in the eSports world for their exceptional precision, to be swapped in and out at will.

At the beginning of July 2023, Thrustmaster attended TwitchCon 2023 in Paris. The event, held in France for the first time, attracted over 12,000 visitors. TwitchCon, which celebrates the well-known streaming platform, was the ideal opportunity for the Group to present its ESWAP controllers.

In 2023, the US high-end gamepad market grew 21% by volume and 12.8% by value (to \$137.2 million).

In the top five European countries, the market for gamepads priced over €70 grew 24% by volume and 3% by value. Sales of Thrustmaster gamepads grew 3.2% by volume and 9.6% by value.

1.1.3. Flight simulation accessories

Thrustmaster is recognized in the gaming community for its innovation and its ability to offer a broad range of high-precision flight sim accessories to meet the needs of all pilots. It is the undisputed benchmark brand in this segment.

The Group took part in numerous air shows and simulation events in 2023. Thrustmaster unveiled its *Viper TQS* joystick at Flight Sim Expo in Houston, where it was held up as the number one brand for flight sim accessories. Thrustmaster also attended the Paris Air Show in Le Bourget where, for the first time in the show's history, visitors were able to explore a 120-square-meter space dedicated to flight simulation. Thrustmaster has set up and run highly successful global military tournaments and air shows for the flight sim community.

Thrustmaster is constantly developing and expanding its joystick range to meet the needs of the most demanding expert users, offering a coherent ecosystem of products that replicate expert flight sim setups.

Ever since it brought out the iconic *Hotas Warthog*, Thrustmaster has been working on the development of a premium military ecosystem for its flying community. When launching its new *Viper TQS* range at last June's Flight Sim Expo, Thrustmaster unveiled its new PC-compatible *Viper TQS Mission Pack* officially licensed by the US Air Force, which was released on October 11, 2023.

In 2023, the US joystick market declined 11.5% by both volume and value (to \$31.7 million). Thrustmaster was number one by both value and volume, strengthening its position in this segment.

In the top five European countries, the joystick market declined 25.1% by volume and 23.4% by value (to €22.7 million). Thrustmaster's market share increased 63.8% by volume (up 1.4 percentage points) and 62.5% by value (up 3.3 percentage points). Thrustmaster was number one by both volume and value.

1.1.4. Headsets for online gaming

Thrustmaster did not release any new products in this category in 2023.

1.1.5. eSports

Thrustmaster is very well placed in the eSports market and remains highly active in this field.

1.1.5.1. eSports racing

Thrustmaster participated in a number of eSports events in 2023, including the following:

- The 24 Hours of Le Mans (in Le Mans, France), where Thrustmaster products – in particular the T818 base – were on display in the fan zone at the legendary Circuit de la Sarthe. Fans were able to use them to play a sneak preview of racing game Le Mans Ultimate.
- 2023 Olympic Esports Week (June 2023 in Singapore). The first ever Olympic Esports Week was held in Singapore from June 23 to 25, 2023. One of the nine categories at this unique event was motorsports. Thrustmaster's *T-GT II* was the official racing wheel for Gran Turismo Sport.
- Paris Games Week (November 2023 in Paris).

1.1.5.2. *eSports flying*

The Group took part in numerous air shows and simulation events in 2023. Thrustmaster unveiled its *Viper TQS* joystick at Flight Sim Expo in Houston, where it was held up as the number one brand for flight sim accessories. Thrustmaster also attended the Paris Air Show in Le Bourget where, for the first time in the show's history, visitors were able to explore a 120-square-meter space dedicated to flight simulation. Thrustmaster has set up and run highly successful global military tournaments and air shows for the flight sim community.

1.1.6. *Farming*

The new SimTask Farming segment has met gamers' expectations in this promising market thanks to the newly launched Thrustmaster range unveiled at the Gamescom show at the end of August 2023. The range is specially designed to simulate the experience of driving heavy vehicles and agricultural machinery.

At the Poznan Game Arena show in Poland in October, Thrustmaster unveiled its new multifunction farm sim joystick, the *SimTask FarmStick*. Pre-orders opened on October 19 and the new product shipped on November 19.

The new *Farming Simulator 23* game was the perfect vehicle to highlight the Group's new accessories at Switzerland's most popular public fair, Olma, on October 18. This new benchmark controller for simulating farming, construction and other heavy vehicles and machinery is the first three-axis joystick to draw on Thrustmaster's flight sim expertise. Featuring as many as 33 action buttons, it is designed to operate heavy machinery.

1.2. **Hercules news**

In 2023, Hercules:

- brought to market *DJControl Inpulse T7*, the new flagship product in its DJ controller range;
- launched the Hercules *DJControl Inpulse 300 Mk 2* and *DJ Learning Kit Mk2* controllers;
- rolled out version 6.0.4 of its DJUCED software, with expanded functionality.

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

1.2.1. *DJ controllers*

At the *NAMM Show* in Anaheim, California in April 2023, Hercules successfully unveiled its new flagship product, the *DJControl Inpulse T7* motorized controller. This controller is considered a major new product, offering the experience of vinyl mixing at a very affordable price point and in a form factor that is easy for DJs to transport.

In 2023, Hercules' celebrated *Inpulse* range achieved a new milestone with the release of new MK2 versions of its best-selling *DJControl Inpulse 200* and *300* controllers.

To meet the expectations of consumers looking for music to help them get started in DJing and royalty-free tracks they can freely use in their mixes, Hercules offers new tracks produced by the brand each month through *Hercules Official Music*.

1.2.2. *DJUCED software*

In 2023, Hercules rolled out version 6.0.4 of its DJUCED software, including both new functionality and improvements to existing functionality.

Planned new versions of DJUCED Pro and DJUCED Pro+ are currently being finalized with the aim of offering more pro-level functionality while remaining faithful to Hercules' DNA: providing tools that help DJs learn, from putting together a set through to performing live.

1.2.3. *Streaming range*

Towards the end of 2023, Hercules launched its brand-new *Hercules Stream* category to diversify the brand's product portfolio and bring streamers a high-quality offering underpinned by the expertise of Hercules' research and development team.

The *Hercules Stream* range includes two audio controllers launched in December:

- the Hercules Stream 100
- the Hercules Stream 200 XLR

Both offer advanced functionality such as full control over a stream's audio and monitoring of levels thanks to a high-brightness screen.

2. GROUP RESULTS

Key figures from Guillemot Corporation's consolidated financial statements for the fiscal year ended December 31, 2023 are as follows:

(€m)	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021
Turnover	119.1	188.0	176.8
Net income from ordinary activities	2.5	34.2	33.0
Net operating income	2.5	34.2	33.0
Net financial income*	-1.4	-6.7	-16.4
Consolidated net income	1.0	20.4	13.7
Basic earnings per share	€0.06	€1.35	€0.90
Shareholders' equity	101.8	104.4	90.4
Net debt (excl. AFS securities)**	-16.7	-21.3	-5.2
Inventories	45.7	57.2	40.9
Intangible assets	23.7	23.3	16.2
Current financial assets (AFS securities portion)	10.3	11.7	19.1

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

** 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 2023 totaled €119.1 million, down 37% year on year. Net income from ordinary activities came in at €2.5 million, down from €34.2 million in the year to December 31, 2022.

Net operating income came in at €2.5 million, compared with €34.2 million in 2022.

The net financial expense of €1.4 million included a €1.5 million revaluation loss on current financial assets (available-for-sale securities) consisting of Ubisoft Entertainment shares, compared with a €7.4 million revaluation loss in 2022.

Net profit for the year came in at €1.0 million, compared with €20.4 million in 2022, after taking into account a €0.1 million tax expense for the year.

Current financial assets totaled €10.3 million at December 31, 2023, consisting of 443,874 Ubisoft Entertainment shares.

Net debt excluding available-for-sale (AFS) securities was negative at -€16.7 million.

Shareholders' equity fell from €104.4 million to €101.8 million.

▪ Turnover by business segment

(€m)	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021
Hercules	14.2	12.5	9.0
Digital devices	14.2	12.2	8.1
OEM*	0.0	0.3	0.9
Thrustmaster	104.9	175.5	167.8
Gaming accessories	104.9	175.5	167.8
OEM*	0.0	0.0	0.0
TOTAL	119.1	188.0	176.8

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

▪ Turnover by geographical region

(€m)	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021
European Union	59.5	93.5	93.6
North America	37.2	54.8	49.9
Other	22.4	39.7	33.3
TOTAL	119.1	188.0	176.8

▪ [Net operating income by business area](#)

(€m)	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021
Hercules	-0.7	0.2	0.0
Thrustmaster	3.2	34.0	33.0
TOTAL	2.5	34.2	33.0

3. INFORMATION ABOUT THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS

3.1. Income statement

During the fiscal year, the Group generated consolidated turnover of €119,132k excluding taxes.

The main operating expenses were purchases totaling €51,534k.

External expenses of €24,263k mainly consisted of transportation, advertising and marketing costs.

Employee expenses totaled €16,269k, while additions to amortization, depreciation and provisions totaled €8,358k.

Taxes and duties totaled €542k and other income and expenses netted out at a €6,064k expense.

Net income from ordinary activities totaled €2,521k.

Net operating income came in at €2,521k.

The cost of net financial debt was €535k and other financial income and expenses netted out at a €1,979k expense, including a €1,465k revaluation loss on the Group's holding of Ubisoft Entertainment shares.

After taking into account these items and a €113k tax expense, the Group generated net income of €964k.

Basic earnings per share came out at €0.06.

3.2. Balance sheet

Non-current assets consisted of €23,739k in net intangible assets, €8,592k in net property, plant and equipment, €593k in financial assets, €543k in tax assets and €4,634k in deferred tax assets.

Current assets included the following items:

- Inventories with a net value of €45,725k, taking into account €2,084k in impairment charges
- Trade receivables with a net value of €36,057k, with no provisions for doubtful accounts
- Other receivables with a net value of €3,620k, mainly consisting of receivables in relation to value added tax and advances and progress payments made
- Financial assets totaling €10,258k and cash and cash equivalents totaling €25,728k

Shareholders' equity stood at €101,784k.

Non-current liabilities totaled €6,545k, including borrowings of €4,821k.

Current liabilities totaled €55,375k, including €4,251k in foreign currency borrowings and advances.

The Group's operating cash flow after the cost of financial debt in fiscal year 2023 totaled €7,488k.

The Group's working capital increased by €1,942k in fiscal year 2023.

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

The Group did not take out any new borrowing in 2023.

4. INFORMATION ABOUT GUILLEMOT CORPORATION S.A.'S PARENT COMPANY FINANCIAL STATEMENTS

4.1. Income statement

Guillemot Corporation S.A. generated turnover of €109,863k in the fiscal year.

Operating income totaled €111,515k.

The main operating expenses were purchases consumed totaling €52,350k and external expenses of €41,443k.

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

Taxes and duties and employee expenses totaled €520k and other expenses came in at €11,039k.

Additions to amortization and depreciation totaled €3,486k.

Additions to provisions for current assets totaled €613k.

The company recognized a €652k provision for product returns.

The company posted net operating income (total operating income less total operating expenses) of €984k.

Taking into account net financial income of €805k, a net non-recurring expense of €49k and a corporate income tax expense of €7k, net income came in at €1,747k.

Net financial income is broken down as follows:

Foreign currency translation adjustments:	-€124k
Interest income and expenses:	€572k
Net income from disposals of AFS securities:	-€189k
Additions to and reversals from provisions:	€546k

Interest income mainly consisted of €606k in interest from bank investments and other financial products, €14k in current account interest and €58k 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 €42k in current account interest charges.

The net expense from the disposal of treasury shares under the liquidity agreement in force totaled €189k.

Reversals of impairment on shares of subsidiaries totaled €489k, while reversals of provisions on current account advances totaled €58k.

Key intermediate management balances are as follows:

Production in the year:	€106,468k
Value added:	€12,675k
Earnings before interest, tax, depreciation and amortization:	€12,155k

4.2. Balance sheet

Net fixed assets totaled €37,673k, consisting of €20,830k in intangible assets, €2,937k in property, plant and equipment and €13,906k in non-current financial assets.

Intangible assets included development costs with a net value of €10,808k.

The net value of inventory stood at €36,910k.

The net value of trade receivables totaled €31,245k.

Other receivables with a net value of €5,308k mainly consisted of current account advances to subsidiaries with a net value of €280k, tax receivables totaling €4,731k and credit notes receivable totaling €297k.

The net value of available-for-sale securities totaled €7,107k, consisting of 49,731 treasury shares with a net value of €340k and 443,874 Ubisoft Entertainment S.A. shares with a purchase cost of €6,767k.

Shareholders' equity totaled €89,747k.

5. STRATEGY AND OBJECTIVES OF THE COMPANY AND THE GROUP

In 2024, the Group will be adapting its strategic plan in response to market developments and changing patterns of consumption and focusing its efforts on:

- continuing to invest in research and development to ensure its products are significantly differentiated from and offer substantially higher added value than competitor products;
- increasing market share by expanding its product offering in market segments for which the Group does not currently cater;
- stepping up and expanding its sales strategy in the Asia-Pacific and Middle East regions to tap into emerging growth opportunities in China, Japan and South Korea after an economically mixed year in 2023;
- continuing to pursue corporate social responsibility (CSR) initiatives to reduce its carbon footprint and more effectively respond to key challenges relating to the climate, the economy and society.

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

For fiscal year 2024, the Group expects to return to growth and deliver a net operating profit. 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 5
 - Continued investment to build added value
- Assumptions about factors outside the influence of the Group's management bodies:
 - No marked deterioration in consumer spending or the video game market
 - Commercial success of the Group's new products
 - Release of new racing and flying games in the second half of the year

7. INFORMATION ABOUT GUILLEMOT CORPORATION S.A.'S SHARE CAPITAL

At the most recent balance sheet date of December 31, 2023, the share capital stood at €11,617,359.60, made up of 15,087,480 ordinary shares with a par value of €0.77 each.

During the fiscal year ended December 31, 2023, the company's share capital was reduced by €154,000 through the retirement of 200,000 shares, as agreed by the Board of Directors at its meeting of January 25, 2023.

At December 31, 2023, the Guillemot family group directly and indirectly held 68.73% of the share capital and 79.72% of voting rights exercisable at shareholders' general meetings.

At December 31, 2023						
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 SAS ⁽²⁾	2,286,122	15.15%	2,286,122	9.86%	2,286,122	9.88%
Michel Guillemot	1,056,569	7.00%	2,110,628	9.10%	2,110,628	9.12%
Gérard Guillemot	986,246	6.54%	1,969,982	8.50%	1,969,982	8.52%
Yves Guillemot	678,170	4.49%	1,353,830	5.84%	1,353,830	5.85%
Claude Guillemot	321,839	2.13%	641,165	2.77%	641,165	2.77%
Christian Guillemot	309,348	2.05%	616,186	2.66%	616,186	2.66%
Other members of the Guillemot family ⁽⁴⁾	4,731,735	31.36%	9,463,470	40.82%	9,463,470	40.91%
Together	10,370,029	68.73%	18,441,383	79.55%	18,441,383	79.72%
Treasury shares ⁽³⁾	49,731	0.33%	49,731	0.21%	0	0.00%
Free float	4,667,720	30.94%	4,690,886	20.24%	4,690,886	20.28%
TOTAL	15,087,480	100.00%	23,182,000	100.00%	23,132,269	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.