

## 2023 CONSOLIDATED INTERIM RESULTS

Key items from the Guillemot Corporation Group's financial statements to June 30, 2023 are as follows:

<b>First half 2023 (€m)</b> January 1 – June 30, 2023	<b>June 30, 2023</b>	<b>June 30, 2022</b>
<b>Turnover</b>	<b>48.1</b>	<b>98.1</b>
<b>Net income from ordinary activities</b>	<b>-3.9</b>	<b>25.0</b>
<b>Net operating income</b>	<b>-3.9</b>	<b>25.0</b>
<b>Net financial income*</b>	<b>-0.1</b>	<b>-0.9</b>
<b>Corporate income tax</b>	<b>1.2</b>	<b>-6.0</b>
<b>Consolidated net income</b>	<b>-2.9</b>	<b>18.1</b>
<b>Earnings per share</b>	<b>-€0.19</b>	<b>€1.18</b>

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

### Business activity and results

In the first half of 2023, the Group generated turnover of €48.1 million, down 51%.

This very substantial slowdown in the Group's sales was mainly the result of high levels of inventory in distribution networks and at wholesalers and retailers, delaying restocking.

Throughout the first half, the Group strongly supported sales by its customers to end consumers through a highly proactive promotional policy amid a market downturn.

The situation is improving, with distributor inventory steadily decreasing and second-quarter sales up 21% quarter on quarter.

As a result of the sharp decline in sales over the first half of the year, the Group posted a net operating loss of €3.9 million for the six months to June 30, 2023, compared with net operating income of €25.0 million for the six months to June 30, 2022.

The gross accounting profit margin came in at 45%, compared with 58% in the first half of 2022, impacted by high customer trade marketing costs and an adverse euro/dollar exchange rate.

Total costs were down 20% and the Group's workforce remained stable over the period.

The net financial expense of €0.1 million included a €0.2 million unrealized loss linked to the decline in the valuation of the portfolio of Ubisoft Entertainment S.A. shares. The Group posted a consolidated net loss of €2.9 million.

### Key balance sheet items

(€m)	<b>June 30, 2023</b>	<b>Dec. 31, 2022</b>
Shareholders' equity	98.0	104.4
Inventories	50.2	57.2
Net debt (excl. AFS securities)*	-11.5	-21.3
Current financial assets (AFS securities portion)	11.5	11.7

\* Available-for-sale (AFS) securities are not taken into account when calculating net debt.

Shareholders' equity stood at €98.0 million at June 30, 2023. The Group's net debt was negative at -€11.5 million excluding available-for-sale securities, the fair value of which stood at €11.5 million at June 30, 2023.

At June 30, 2023 the value of net inventory totaled €50.2 million, 12% lower than at December 31, 2022 as a result of the Group gradually readjusting its inventory in line with sales. Working capital increased by €1.1 million over the first half of the year.

Net capitalized research and development costs over the six months to June 30, 2023 totaled €9.9 million, up €1.6 million.

### **A solid lineup and strong momentum in new products**

Thanks to strong team dynamics and investment in research and development over the past three years, the Group is able to offer a solid lineup of new products for the final part of the year, including the following:

#### **Racing**

- *TH8S Shifter Add-On* gear stick (released in July)
- Two new racing wheel rims for the *T818* Direct Drive base and other bases in the range

#### **Flight**

- *Viper TQS Mission Pack* (commercially available since September 23)

#### **Farming** (a new segment for Thrustmaster in 2023)

- *SimTask Steering Kit* (available as of October 25)
- *SimTask FarmStick* (available in November)

#### **DJing**

- *DJControl Inpulse T7* controller (available since September 12)
- *DJControl Inpulse 200 MK2* controller (released June 20)
- *DJControl Learning Kit* (launch scheduled for September 29)

Other ranges and new products will be announced in the fourth quarter and will help drive the Group's future growth.

### **Strengthening of distribution networks**

The Group has:

- extended its direct shipping agreements with major e-commerce operators to include Asia, and is more efficiently addressing consumer demands;
- expanded its product listings across all U.S. retail channels.

### **Outlook**

The Group believes that the current and forthcoming crop of racing games will revitalize its markets in the fourth quarter and prompt its customers to finish updating their inventory.

However, inventory levels will continue to affect Group billings in the second half of the year.

Against this backdrop, the Group has revised its sales outlook range to €120–140 million and is forecasting a net operating profit for fiscal year 2023.

Together with the expansion of the Group's distribution networks, the high potential offered by new Hercules and Thrustmaster products means that the outlook is positive for a return to significant growth in 2024.

Guillemot Corporation is a designer and manufacturer of interactive entertainment hardware and accessories. The Group offers a diversified range of products under the *Hercules* and *Thrustmaster* brand names. Active in this market since 1984, the Guillemot Corporation Group is currently present in 11 countries (France, Germany, Spain, the UK, the United States, Canada, Italy, Belgium, Romania, the Netherlands and China [Shanghai, Shenzhen and Hong Kong]) and distributes its products in more than 150 countries worldwide. The Group's mission is to offer high-performance, ergonomic products which maximize the enjoyment of digital interactive entertainment for end users.

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## APPENDICES

(All figures in €k)

### Consolidated statement of net income to June 30, 2023

(€k)	Jun 30, 2023	Jun 30, 2022
<b>Net turnover</b>	<b>48,111</b>	<b>98,143</b>
Purchases	-19,996	-51,532
External expenses	-10,960	-14,682
Employee expenses	-8,360	-6,973
Taxes and duties	-299	-473
Additions to amortization and depreciation	-2,978	-2,562
Additions to provisions	-901	-790
Change in inventories	-6,256	10,407
Other income from ordinary activities	146	102
Other expenses from ordinary activities	-2,359	-6,626
<b>Net income from ordinary activities</b>	<b>-3,852</b>	<b>25,014</b>
Other operating income	0	0
Other operating expenses	0	0
<b>Net operating income</b>	<b>-3,852</b>	<b>25,014</b>
Income from cash and cash equivalents	319	17
Cost of gross financial debt	-53	-43
<b>Cost of net financial debt</b>	<b>266</b>	<b>-26</b>
Other financial income	0	0
Other financial expenses	-380	-900
Corporate income tax	1,050	-6,020
<b>Net income before minority interests</b>	<b>-2,916</b>	<b>18,068</b>
O/w net income from discontinued operations	0	0
Attributable to minority interests	0	0
<b>Net income attributable to equity holders of the parent</b>	<b>-2,916</b>	<b>18,068</b>
Basic earnings per share	-€0.19	€1.18
Diluted earnings per share	-€0.19	€1.17

## Consolidated balance sheet at June 30, 2023

ASSETS	Net Jun 30, 2023	Net Dec 31, 2022
<b>(€k)</b>		
Goodwill on acquisitions	0	0
Intangible assets	24,079	23,276
Property, plant and equipment	8,505	8,184
Financial assets	617	668
Tax assets	351	495
Deferred tax assets	5,403	4,267
<b>Non-current assets</b>	<b>38,955</b>	<b>36,890</b>
Inventories	50,183	57,203
Trade receivables	25,527	34,743
Other receivables	4,562	4,079
Financial assets	11,488	11,723
Current tax assets	3,011	318
Cash and cash equivalents	22,453	35,245
<b>Current assets</b>	<b>117,224</b>	<b>143,311</b>
<b>Total assets</b>	<b>156,179</b>	<b>180,201</b>
<b>LIABILITIES AND EQUITY</b>		
	<b>Jun 30, 2023</b>	<b>Dec 31, 2022</b>
<b>(€k)</b>		
Capital (1)	11,617	11,771
Premiums (1)	8,077	10,551
Reserves and consolidated income (2)	77,810	81,645
Currency translation adjustments	521	438
<b>Group shareholders' equity</b>	<b>98,025</b>	<b>104,405</b>
Minority interests		
<b>Consolidated shareholders' equity</b>	<b>98,025</b>	<b>104,405</b>
Employee benefit liabilities	1,683	1,586
Borrowings	6,691	8,345
Other liabilities	0	0
Deferred tax liabilities	15	14
<b>Non-current liabilities</b>	<b>8,389</b>	<b>9,945</b>
Trade payables	28,933	38,887
Short-term borrowings	4,235	5,636
Taxes payable	599	2,437
Other liabilities	15,967	18,734
Provisions	31	157
<b>Current liabilities</b>	<b>49,765</b>	<b>65,851</b>
<b>Total liabilities and equity</b>	<b>156,179</b>	<b>180,201</b>

(1) Of the consolidating parent

(2) Of which net loss for the period: €2,916k

## Consolidated statement of cash flows to June 30, 2023

(€k)	Jun 30, 2023	Jun 30, 2022
<b>Cash flows from operating activities</b>		
Net income from consolidated companies	-2,916	18,068
+ Additions to amortization, depreciation and provisions (except on current assets)	3,195	397
- Reversals of amortization, depreciation and provisions	-1,399	-24
-/+ Unrealized gains and losses arising from changes in fair value	235	519
+/- Expenses and income arising from stock options	265	325
-/+ Capital gains and losses on disposals	66	0
Change in deferred taxes	-1,135	2,066
<b>Operating cash flow after cost of net financial debt</b>	<b>-1,689</b>	<b>21,351</b>
Cost of net financial debt	-266	26
<b>Operating cash flow before cost of net financial debt</b>	<b>-1,955</b>	<b>21,377</b>
Currency translation adjustment on gross cash flow from operations	0	131
Inventories	7,020	-10,068
Trade receivables	9,216	21,574
Trade payables	-9,953	3,096
Other	-7,341	-2,479
<b>Change in working capital</b>	<b>-1,058</b>	<b>12,123</b>
<b>Net cash flows from operating activities</b>	<b>-2,747</b>	<b>33,605</b>
<b>Cash flows from investing activities</b>		
Acquisitions of intangible assets	-2,738	-2,320
Acquisitions of property, plant and equipment	-817	-1,327
Disposals of property, plant and equipment and intangible assets	0	19
Acquisitions of non-current financial assets	-122	-150
Disposals of non-current financial assets	173	8
Net cash from acquisitions and disposals of subsidiaries	0	0
<b>Net cash flows from investing activities</b>	<b>-3,504</b>	<b>-3,770</b>
<b>Cash flows from financing activities</b>		
Increases in capital and cash injections	0	0
Dividends paid	-3,761	-3,813
Borrowings	0	0
Repayment of borrowings	-3,148	-2,463
Impact of IFRS 16 adoption	436	-274
Other cash flows from financing activities	-108	0
<b>Total cash flows from financing activities</b>	<b>-6,581</b>	<b>-6,550</b>
<b>Impact of foreign currency translation adjustments</b>	<b>51</b>	<b>147</b>
<b>Change in cash</b>	<b>-12,781</b>	<b>23,432</b>
Net cash at the beginning of the period	35,225	12,006
Net cash at the end of the period	22,444	35,438