Translation for convenience only. The French version of this document prevails.

Guillemot
CORPORATION

2020 UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE **2020 ANNUAL FINANCIAL REPORT**

Hercules

THRUSTMASTER®

2020 UNIVERSAL REGISTRATION DOCUMENT INCLUDING THE 2020 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 28, 2021. It was filed without prior approval, in accordance with Article 9 of the aforementioned regulation.

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

A cross-reference table is provided on page 222 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 document is available from both the issuer's website (www.guillemot.com) and the AMF website (www.amf-france.org).

Copies may be obtained free of charge by writing to the following address: Guillemot Corporation SA, BP 2, 56204 La Gacilly Cedex, France.

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 fiscal 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)

- The consolidated financial statements for the fiscal year ended December 31, 2018, together with the statutory auditors' report pertaining thereto, found on pages 91-123 of the registration document filed with the AMF on April 25, 2019 under number D.19-0389 (https://www.guillemot.com/wp-content/uploads/2019/04/GuillemotCorporation_DDR_exercice2018_20190425.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.

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➢ 2020 MANAGEMENT REPORT

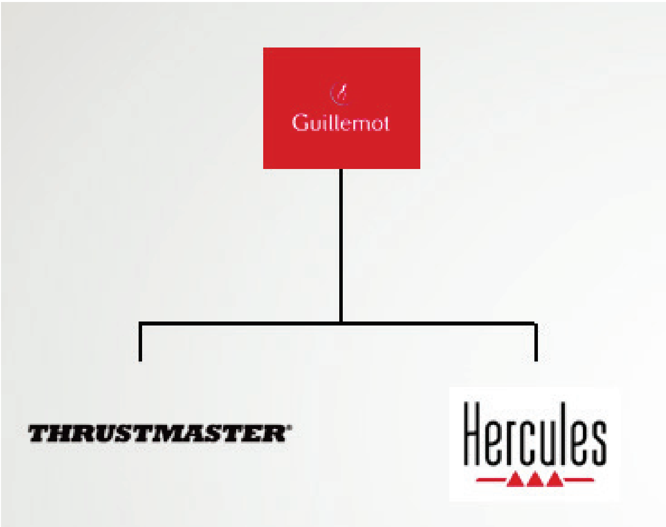
Dear Shareholders,

In accordance with statutory and regulatory provisions and the requirements laid down in the Articles of Incorporation, we have convened this shareholders' general meeting to examine the financial statements for the fiscal year ended December 31, 2020 and 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 2020

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 benchmark in this segment.



The Group specializes in the design and marketing of digital peripherals and accessories for PCs and gaming consoles. Development of its businesses is structured around two flagship brands: **Hercules** for the audio equipment and peripherals segment (mixing decks for amateur and semi-professional DJs, DJ headphones, DJ speakers, etc.) and **Thrustmaster** for PC and console gaming accessories for both experienced gamers and 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.

Established in ten countries (France, Germany, the United Kingdom, the United States, Canada, Spain, Italy, Belgium, China [Shanghai, Shenzhen and Hong Kong] and Romania), the Group cultivates innovation and a perpetual search for excellence so as to offer users high-quality products and services and optimal performance. To ensure it remains in step with consumer needs, the Group is constantly seeking to innovate, offering 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 reach all its customers. Thrustmaster products are now available in more than 140 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 innovation strategy and its use of design thinking to anticipate consumer expectations.

Its partnerships with leading console manufacturers, regular new licensing agreements (with Sony®, Microsoft®, Ferrari®, Gran Turismo®, the US Air Force™, etc.) and the recognized expertise of its research and development teams enable it to grow sales in the interactive entertainment accessories market.

Throughout 2020, the Group endeavored to:

- strengthen, adapt and prepare its sales structure for the new challenges arising from the pandemic;
- successfully transition the current Thrustmaster range to the next generation of consoles and ensure backward compatibility for most of the brand's products;
- significantly increase production to meet strong consumer demand for gaming accessories;
- have key national retailers of professional gamepads for Microsoft's Xbox One console sell its new ESWAP X range;
- respond with innovation, creativity and technological expertise to demands for interactivity from gamers seeking ever-increasing levels of realism and immersiveness;
- ramp up its strategy of forging new direct partnerships with major e-tailers (Box UK; Amazon in Japan, Saudi Arabia and the UAE; Cdiscount; etc.) to build a stronger presence in the e-commerce market;
- expand in the buoyant gamepad market;
- develop the Hercules DJ segment and continue to expand the Hercules ecosystem;
- offer passionate consumers products with exclusive functionality and an ecosystem of high-end hardware (such as the "Depth Feedback" technology used in the T-GT racing wheel for the Gran Turismo Sport game, a patented cooling system for Force Feedback motors used in racing wheels like the TS-PC Racer, and the unique patented HEART [Hall Effect AccuRate Technology] system).

The Group successfully brought a number of new products to market in 2020:

➢ The June release of the first Thrustmaster *TCA Sidestick Airbus Edition* joystick, combined with the success of *Microsoft Flight Simulator*, released August 18, triggered a surge in sales of Thrustmaster flight simulator accessories. The fourth-quarter launch of the complete Airbus range also drove further sales growth.
➢ The successful launch of the latest *Hercules DJControl Inpulse 500* controller bolstered the success of the Inpulse range, enabling Hercules to more than double its sales over the period.

The global Covid-19 pandemic meant 2020 was an unusual year for the Group, affecting the market configuration in ways never before encountered. Over the period, consumers played more video games and opted to expand their ecosystem of accessories.

The Group faced some major challenges linked to Covid-19:

- Lockdown, resulting in the closure of many stores, particularly in Europe
- Strong consumer demand for Thrustmaster gaming accessories and Hercules DJ products
- Migration of sales to online channels
- Production delays in the first quarter, with capacity gradually returning to normal levels by May
- The need to subsequently ramp up production to meet demand
- The need to adjust its distribution channels by entering into direct sales agreements with leading global e-tailers
- Supply chain disruption, with many wholesalers closed

The Group's logistics, production, marketing and sales teams proved their agility, delivering the following achievements:

- Moving inventory to the United States and Europe from the first quarter of 2020 in anticipation of supply issues
- Re-evaluating wholesaler networks to bolster the supply chain
- Developing and entering into new direct distribution agreements with e-tailers to ensure products continued to find their way to consumers
- Monitoring demand daily to ensure inventory was replenished before it ran out and mitigate customer stock-outs

1.1 Hercules: expertise and know-how 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. In developing its audio solutions, Hercules puts is passion for music at the very heart of its innovation. Thanks to its creativity and expertise, the brand has become a major player in the world of interactive entertainment. The Hercules range was completely refreshed in 2018, offering even more innovative and high-performing solutions for learner DJs to help them master the art of mixing and all the associated techniques.

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. Its products aim to give beginners a fun, accessible way to learn DJing techniques and acquire the fundamentals they need to succeed. Hercules puts all its energy into innovating and developing digital audio solutions.

Key achievements for the Hercules brand in 2020 include the following (see consolidated financial statements to December 31, 2020, Note 5.6.1, "Segment information by business area"):

- Successfully launched its new *Hercules DJControl Inpulse 500* controller, adding to the success of the Inpulse range and enabling Hercules to more than double its sales in the third quarter
- Launched its new *Hercules HDP DJ60* headphones, offering professional-quality audio, in October
- Announced at the end of March that its *DJControl Inpulse 200*, *DJControl Inpulse 300* and *DJControl Starlight* controllers were compatible with the djay iOS app
- Finalized a major business deal with Sweetwater.com, a US giant in online musical instrument sales
- Worked with partners on promotions and created dedicated bundles to draw the attention of up-and-coming DJs

Guillemot Corporation has a professional anechoic chamber which it uses to develop its range of DJ speakers, wireless Bluetooth® speakers and headphones. The chamber's walls are covered with dihedrons made from absorbent material to measure 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 are popular with consumers.

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. Hercules, which created the first computer-based dual-deck mixing controller with integrated audio interface, the Hercules DJ Console, launched in 2003, seeks to put innovation at the heart of its strategy so as to develop world-class digital audio solutions and increase its appeal in the DJ community and the music world more broadly.

The brand expanded its Inpulse range of controllers in 2020, with the latest *Hercules DJControl Inpulse 500* bolstering the range's success.

Since October 2018, when the *DJ Inpulse* range was launched, Hercules has included built-in help such as the Intelligent Music Assistant (IMA), which suggests tracks for the DJ's playlist, light guides to help users learn to beatmatch, and DJ Academy videos accessible directly within the software. These methods make it easier for beginners to learn the ropes of DJing. *Hercules DJ Academy*, integrated into DJUCED, also offers video tutorials and tips and tricks from Hercules ambassadors to help new users find their feet.

IMA

The Intelligent Music Assistant suggests tracks from the DJ's library or from streaming music platforms Beatport and Beatsource. It also offers an "Energy" feature to help manage the party mood by adjusting the danceability of suggested tracks. The Intelligent Music Assistant makes it easy for any DJ to pick the best track to play, whether during practice sessions or while performing.

DJ Hercules DJUCED, launched in 2011, is a popular, high-performance software package that was used by over 180,000 people between May 2019 and May 2020.

New developments are added every year, for example:

- An interface that adapts to every user, from beginners through to experts, and is even simpler, more user-friendly and more intuitive
- A quicker and easier launch process, integrated DJ Academy content and new sampling methods
- 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
- Professional music streaming platforms Beatport and Beatsource to make sure DJs always have the best tracks at their fingertips

In addition, Hercules recently launched version 5.0 of its DJUCED software, bundled with most DJ controllers. The new version includes Beatport Link, allowing users to discover and play with more than six million tracks right inside DJUCED. Founded in 2004, Beatport is now the leading source of electronic music for DJs, producers and fans.

HERCULES DJControl Inpulse 500

DJUCED BOOST YOUR MIX

serato DJ Lite

Released in mid-June, the new, ultra-high-performance all-in-one **Hercules DJControl Inpulse 500** controller helps young DJs put on a show in public. Designed with Serato DJ Lite and DJUCED as the ideal solution to help beginners develop and perform, it meets all their needs and helps them fulfil their ambitions. As well as DJ learning guides and the DJUCED Intelligent Music Assistant, it also comes jam-packed with functions designed to help DJs improve. Its release further reinforced the success of the Inpulse range.

NAMM U BEST IN SHOW The NAMM Show

At the most recent NAMM show in Anaheim in January 2020, the *Hercules DJStarter Kit* controller won a “NAMM U Best In Show” award in the “Gotta Stock It” (i.e. bestseller) category. Out of 27 winners, the controller was the first winning product in the DJ category for two years (the last DJ product to win the award was in 2017).

1.1.2 DJ headphones

Just a few months after launching its latest controller, the *Hercules DJControl Inpulse 500*, Hercules added to its range of headphones, launching the brand new *Hercules HDP DJ60* headphones for live mixing in October 2020.

These comfortable and stylish precision headphones deliver the kind of excellent sound quality both beginners and advanced DJs need when mixing in public.

These professional-quality headphones use drivers with a frequency response of 15 Hz to 22 kHz and a sensitivity of 105 dB.

1.2 Thrustmaster: the global benchmark in console and PC gaming accessories

Established in 1992 and acquired by Guillemot Corporation in 1999, Thrustmaster brings its expertise and technical knowledge to the video game accessories market. For almost 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 draws on its know-how and technological expertise to create high-quality products that offer gamers a unique experience, backed up by prestigious licensing agreements and strong partnerships.

Thanks to the expertise of Thrustmaster's console and hardware research and development teams, reflected in patented technology such as the HEART (Hall Effect AccuRate Technology) system, and the brand's cutting-edge expertise in embedded software, the Group is able to offer gamers ever-increasing levels of precision, playability and realism.

Key achievements for the Thrustmaster brand in 2020 include the following (see Note 5.6.1 to the consolidated financial statements to December 31, 2020, "Segment information by business area"):

- Launched key products, including the *TCA Sidestick Airbus Edition* joystick, the *T.Racing Scuderia Ferrari Edition-DTS* racing wheel officially licensed by Ferrari and the *ESWAP X PRO CONTROLLER* modular professional gamepad for the Xbox console
- Saw record numbers of visits to its website and online store
- Took part in the first ever eSports competition organized by Ferrari, in early August
- Supported the release of *Microsoft Flight Simulator 2020,* which fueled a new wave of purchases of flight simulation accessories
- Benefited from gamers' growing enthusiasm for eSports, with strong demand for joysticks, racing wheels and gamepads

Paradoxically, the Covid-19 pandemic had a positive effect on Thrustmaster sales, with lockdowns driving increased consumer demand for the Group’s gaming accessories. At the same time, a wave of new flight simulation and racing games resulted in very strong demand for Thrustmaster PC and console accessories: sales of joysticks – including the *Thrustmaster Civil Aviation* joystick – were buoyed by the success of Microsoft Flight Simulator 2020, released in August, while sales of racing wheels received a boost from the release of new racing titles including F1 2020, Project CARS 3 and WRC 9.

Consumers’ growing enthusiasm for eSports and gamepads (namely the ESWAP PRO CONTROLLER ecosystem) were key drivers of the Group’s growth in 2020.

At the same time, the arrival of new consoles, with the Xbox Series X|S from Microsoft Corporation, released November 10 and available in two versions, and the PlayStation 5 from Sony Interactive Entertainment Inc., released November 19 and also available in two versions, was a key driver over the final part of 2020 and heralds a bright future for the video games market. Thrustmaster is ideally placed to harness rapid growth in the next-generation PlayStation 5 and Xbox Series X|S consoles.

The shift in user behavior towards the e-commerce channel represents a genuine opportunity in the Group’s specialist product segments; the Group is now well placed in this channel, with strong partnership agreements in place.

1.2.1 Racing wheels and accessories

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

A strong crop of new racing games, including F1 2020 (released in July), Project CARS 3 (released August 28), WRC 9 (released early September) and DiRT 5 (released November 10), fueled strong momentum in the racing accessories market in 2020. The release of Project CARS 3 boosted sales of Thrustmaster racing wheels.

In 2020, the US racing wheel market grew 48.4% by value (relative to 2019) to $66.19 million. Five Thrustmaster racing wheels were among the top ten sellers by value. Thrustmaster had a market share of 39% by value (*source: © 2021 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 2021).*

In the top five European countries of France, Germany, the United Kingdom, Italy and Spain, the racing wheel market grew 57.5% by value to €119 million.Thrustmaster was the number two player in racing wheels, with a market share of 27% by value *(source: © GFK 2021, all rights reserved).*

The eagerly awaited T-LCM racing pedal set – the first Thrustmaster pedal set to be equipped with magnetic sensors and a Load Cell force sensor on its brake pedal – has been a big hit since its launch in the first quarter of 2020. At the end of March 2020, French website jeuxvideo.com gave it a score of 18 out of 20 in a test, under the revealing headline "Thrustmaster puts the pressure on its competitors". Meanwhile, French website www.lesnumeriques.com, which specializes in electronic equipment, recently awarded the pedal set 5 out of 5, describing it as a "hit".

On December 10, 2020, Thrustmaster announced the release of its brand new add-on, the *Formula Wheel Add-On Ferrari SF1000 Edition*, heralding a genuine revolution in the world of racing simulation.

With its world-first interactive screen, this racing wheel is a replica of the one used in Ferrari's legendary SF1000.

1.2.2 Headsets for online gaming

Proud of its position in the gaming headset market, in 2020 Thrustmaster unveiled its latest *T.Racing Scuderia Ferrari Edition-DTS* headset. This headset combines the best of Thrustmaster's audio expertise with unique DTS know-how (through the *DTS Sound Unbound* application) to improve gaming performance.

In 2020, the US market for gaming headsets grew 40.67% by value and 29% by volume (*source: © 2021 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

In 2019, Thrustmaster launched a brand new range of professional gamepads for eSports players.

Following the launch of the ESWAP PRO CONTROLLER professional gamepad, the first gamepad to be fully customizable thanks to swappable modules, two new products – the ESWAP Classic D-Pad and the ESWAP Classic Mini-Stick – were added to the ESWAP ecosystem for PlayStation in June 2020.

Buoyed by the success of the first *ESWAP PRO CONTROLLER* launched a year ago, at the end of December Thrustmaster launched the *ESWAP X PRO CONTROLLER*, officially licensed for Xbox Series X|S and Xbox One.

On January 17, 2021, French website Clubic described it as “a big hit” and “the Rolls-Royce of wired gamepads”. UK website KeenGamer, which attracts over 770,000 visitors a month, gave the *ESWAP X PRO CONTROLLER* a score of 9.4 out of 10 and said it “combines the best of all controller options in one package”.

This controller – the first Xbox Series gamepad made by a third-party manufacturer – is aimed squarely at gamers seeking optimum performance. On December 21, 2020, French website www.jeuxvideo.com – the benchmark site for video games, gave it a score of 17 out of 20, describing it as “an outstanding, performance-enhancing tool”.

Thrustmaster is currently working to strengthen its positioning and grow its market share in the gamepad market.

In 2020, the US gamepad market grew 19.7% by value to $1,458.3 million – equivalent to more than twice the combined size of the market in the top five European countries by volume.

Thrustmaster released its ESWAP X PRO CONTROLLER in America in November 2020. The new controller was the number five seller among gamepads priced over $100 in December 2020 by both volume and value, and the number three seller among gamepads priced over $150 *(source: © 2021 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 gamepad market grew 26% by value in 2020 (relative to 2019) to €624.2 million.

Germany, France and the United Kingdom accounted for 80.2% of the market in the top five European countries by value. Thrustmaster sales grew 84% by value (*source: © GFK 2021, all rights reserved).*

1.2.4 Flight simulation accessories

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

In mid-June 2020, Thrustmaster announced the launch of its first set of civil aviation flight simulation accessories officially licensed by Airbus. The *TCA Sidestick Airbus Edition* joystick, the first product in the *Thrustmaster Civil Aviation* range, offers unique, ergonomic handling inspired by the iconic Airbus sidestick. This new range of accessories consists of four PC products. Microsoft's new *Flight Simulator* game, released August 18, 2020, was a great opportunity for Thrustmaster. The Group's ambition is to be recognized as the expert brand across the entire virtual airspace, both military and civil. Well-known US video gaming site Polygon, which attracts more than 29 million visitors each month, recently published a full article on the *TCA Sidestick Airbus Edition* and *Microsoft Flight Simulator*, highlighting the joystick's benefits for users of Microsoft Flight Simulator (released August 2020) and pointing out that "This new flight stick isn't just a licensed peripheral. It's a valuable part of the Airbus flight simulation experience inside Flight Simulator."

The August 2020 launch of Microsoft Flight Simulator was a big success, fueling a new wave of purchases of flight simulation accessories. It had a very significant impact on the Group's flight simulation accessories, in particular the Thrustmaster Civil Aviation range, enabling Thrustmaster to grow its global presence in the joystick category, securing market shares of 75% by value in the United States *(source: © 2021 The NPD Group, Inc., all rights reserved; proprietary and confidential property of NPD and its affiliates; licensed for use by NPD clients only)* and 56% by value in the top five European countries (*source: © GFK 2021, all rights reserved)*.

Over the period, Thrustmaster launched its Thrustmaster Civil Aviation range, officially licensed by Airbus.

Now catering for the needs of both military and civil aviation enthusiasts thanks to its new range of civil aviation accessories, Thrustmaster entered into a new partnership with Airbus, offering a range of four new officially licensed PC products (compatible with Windows 8 and 10)* as well as its eagerly awaited Flying Clamp, specially designed for the occasion. The launch of this new range was the perfect way to celebrate the brand's 30th birthday, highlighting its three decades of experience dedicated to developing unique expertise in flight simulation and strengthening Thrustmaster's status as a linchpin in the sector.

TCA SIDESTICK
AIRBUS EDITION

The *TCA Sidestick Airbus Edition* joystick – the first product in this new TCA range – is a truly universal PC joystick. Designed to act as the ideal partner for civil aviation simulators like X-Plane 11 and Microsoft Flight Simulator, this ergonomic replica Airbus sidestick is a versatile ally for all types of flight simulation game.

The eagerly awaited release of Microsoft Flight Simulator 2020 was an opportunity for Thrustmaster to maximize the exposure of its ranges.

New products in the Airbus range released in the fourth quarter contributed to very strong full-year sales performance.

The Group's business in the year was buoyed by strong sales of flying accessories in the Airbus range.

In 2020, the US joystick market grew 16.5% by value to $15.29 million. Thrustmaster was number one by both value and volume, strengthening its position in the segment *(source: © 2021 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 91.3% by value to €21.3 million. Thrustmaster was number one by volume and value, with market shares of 55% and 56% respectively *(source: © Gfk 2021, all rights reserved).*

1.2.5 eSports

Thrustmaster strengthened its positioning in the eSports market in 2020, mainly in the racing and flying segments. Stay-at-home orders further boosted the success of eSports, fueling a sharp increase in demand for gaming accessories.

In 2020, the Covid-19 pandemic meant physical competitions took a back seat to virtual competitions, which proved a big hit. Formula 1 and endurance racing both took to the virtual world of PC and console racing, fueling increased interest in eSports.

1.2.5.1 eSports racing

In 2020, Thrustmaster supported its official drivers in more eSports competitions and boosted the benefits of using the brand's accessories. Thanks to its comprehensive ecosystem of racing wheels, pedal sets, gear sticks and handbrakes, the racing range maintained the brand's appeal and momentum in this segment, with new bundles released for specific racing specialties (Formula 1, rallying, GT, etc.).

Thrustmaster served as official equipment supplier to Ferrari's driver academy throughout 2020. The partnership with Ferrari Esports kicked up a gear in the first half of 2020, with Ferrari drivers taking part in the hugely successful SRO Esports GT Challenge competition. Ferrari Esports boosted Thrustmaster's visibility through various communication channels, notably thanks to the participation of celebrity ambassadors.

During the March 2020 lockdown, Thrustmaster ran a virtual competition in a “racing room”: over the course of the month, nearly 4,000 participants raced on the Spa-Francorchamps track in hopes of winning a T-LCM pedal set.

On April 5, 2020, six F1 drivers (including Ferrari’s Charles Leclerc) took part in the “**Vietnam Virtual GP**”.

From September 15 to 18, 2020, Thrustmaster took part in the online Super Final of the Le Mans Esports Series, with the brand acting as exclusive partner of the category for the second time. Red Bull Racing Esports (Pro) and LM Squad (Pro-Am) took the top step of the podium on September 18. The competition used the Forza Motorsport game, with cars from different periods in the history of the 24 Hours of Le Mans from the 1950s through to the present day.

LE MANS ESPORTS SERIES

Thrustmaster was also official equipment partner of GT Sport competitions worldwide in 2020, with the T-GT racing wheel adopted as the official racing wheel for FIA-certified GT Sport competitions. The first stage of the 2020 World Tour took place in Sydney (Australia) on February 15 and 16, 2020, with Chilean driver Nicolas Rubilar representing Thrustmaster.

“**Live From Monaco GT Series**”, a unique race with 12 pro drivers, took place on May 23, 2020. Thrustmaster was delighted to partner with this virtual event, won by brand ambassador David Perel.

In December 2020, a charity race named the "XRT Christmas Race for ELA" was organized in support of non-profit ELA to raise funds for leukodystrophies. The competition, which involved 19 well-known drivers, was a big success.

In December, Thrustmaster also launched its one-of-a-kind Rockets program aimed at promoting the involvement of women in eSports, a field in which they are currently under-represented.

The program aims to identify, recruit, support and train high-potential women in various gaming categories (racing, flying and gamepad games). The first Rockets are Charlie Martin (United Kingdom), Emily Jones (United States) and Aléthéa Boucq (France). They are all highly motivated and have got off to a particularly promising start, with their strong performance bringing a high level of visibility to Thrustmaster products.

To step up its presence in Asia, Thrustmaster signed up two new Asian sponsors, Lei Dai and Yuan Yifan. The two drivers succeeded in taking second place in the F1 Esports Series in China.

Thrustmaster took another step forward in eSports by sponsoring an official Rocket League competition at the end of December 2020.

1.2.5.2 eSports flying

The very strong crop of new flight simulation games released in 2020 provided an opportunity for Thrustmaster to strengthen its positioning in the flying segment.

Thrustmaster sponsored the global DCS competition with SATAL (Squadron Air-to-Air League) for the second time. With nearly 30 teams spread across two leagues, the competition was one of the best to date, notably thanks to the involvement of the best virtual pilots.

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, adds to its existing expertise in research and development. The subsidiary is involved in the innovation process, validating the emerging needs of gamers and musicians through a "design thinking" approach.

The Group invested €5.4 million in research and development in 2020, equating to 4.5% of consolidated turnover.

3. ANALYSIS OF THE BUSINESS, RESULTS AND FINANCIAL POSITION OF THE COMPANY AND THE GROUP IN FISCAL 2020

The Group's turnover grew 98% in full-year 2020, to €120.6 million.

In the fourth quarter of 2020, the pace of growth at Thrustmaster quickened to 196%, buoyed by successful sales of the brand's Airbus flying accessories and strong momentum in the racing and gamepad segments.
Meanwhile, Hercules maintained a similar level of growth as in previous quarters, with sales up 65% in the fourth quarter.

The Group significantly increased production to meet demand.

The Group's sales grew very strongly across all regions, with record sales in the United States, Germany, Poland, Australia and China. Thanks to this strong momentum, the Group stepped up its strategy of forging new direct partnerships with major e-tailers (Box UK; Amazon in Japan, Saudi Arabia and the UAE; Cdiscount; etc.).

- Thrustmaster news

- **Flying/joysticks**: new products in the Airbus range released in the fourth quarter, such as the *TCA Officer Pack Airbus Edition* and the *Quadrant Add-on*, contributed to very strong full-year sales performance. The *Thrustmaster TCA Quadrant Add-on Airbus Edition* comes with 15 headline functions inspired by the flight decks of Airbus aircraft. It promises an immersive gaming experience, with realistic buttons and releases specially designed to control approach and landing sequences.

- **Racing wheels**: Thrustmaster supported its official drivers in more eSports competitions and boosted the benefits of using the brand's accessories. Thanks to its comprehensive ecosystem of racing wheels, pedal sets, gear sticks and handbrakes, the racing range maintained the brand's appeal and momentum in this segment, with new bundles released for specific racing specialties (Formula 1, rallying, GT, etc.).

- **Gamepads**: Buoyed by the success of the first *ESWAP PRO CONTROLLER* launched a year ago, at the end of December Thrustmaster launched the *ESWAP X PRO CONTROLLER*, officially licensed for Xbox Series X|S and Xbox One. On January 17, 2021, French website Clubic described it as "a big hit" and "the Rolls-Royce of wired gamepads". UK website KeenGamer, which attracts over 770,000 visitors a month, gave the *ESWAP X PRO CONTROLLER* a score of 9.4 out of 10 and said it "combines the best of all controller options in one package".

- Hercules news

Following a strong third quarter, Hercules continued to grow thanks to successful sales of its Inpulse controllers, including the *Hercules DJControl Inpulse 500* launched in July. Partner promotions and dedicated bundles captured the attention of up-and-coming DJs. New content was added to *Hercules DJ Academy* to meet the community's demand for more advanced content, with the *Hercules DJControl Inpulse* positioned as the simple but effective way to learn DJing.

- Covid-19

Formula 1 and endurance racing have both taken to the virtual world of PC and console racing, fueling increased interest in eSports. Together with stay-at-home orders, this has put the spotlight on video games and generated demand for specialist accessories to enhance performance. The Group has further stepped up production since last summer to meet demand.

- Results and financial position

The Guillemot Corporation Group's turnover increased 98% in 2020 to €120.6 million, resulting in net income from ordinary activities of €18.9 million, compared with a €2.6 million net loss from ordinary activities in 2019.

The Group posted net operating income of €23.1 million in 2020, compared with a €2.6 million net operating loss in 2019. This net operating income included other operating income of €4.1 million linked to a write-back of impairment on the Group's Thrustmaster brand. Consolidated net income for the year came in at €29.8 million, compared with a consolidated net loss of €6.4 million in 2019. This included a financial gain of €7.7 million arising from a revaluation gain on the Group's portfolio of Ubisoft Entertainment shares.

Shareholders' equity stood at €79.7 million at December 31, 2020. The Group's financial structure is robust, with net debt negative at -€18.2 million at December 31, 2020 (excluding the portfolio of available-for-sale securities: €35.0 million), compared with positive net debt of €10.2 million at December 31, 2019.

3.1 Strong global growth and rapid growth in online sales

Sales outside France totaled €111.1 million in 2020, accounting for 92% of total consolidated turnover.

Thanks to the increasingly global nature of its markets, the Group has strong positions in the Asia-Pacific, North America and Europe regions and is a major player in the export market.

The Group's sales grew very strongly across all regions, reaching record levels in the United States, Germany, Poland, Australia and China. Thanks to this strong momentum, the Group ramped up its strategy of forging new direct partnerships with major e-tailers (Box UK; Amazon in Japan, Saudi Arabia and the UAE; Cdiscount; etc.).

In 2020, the Group was able to:

- open more online customer accounts in the first half of the year thanks to buoyant consumer sales in the United States and Europe;
- boost sales of Thrustmaster racing wheels and continue to win market share in Europe;
- consolidate its position in the United States;
- ramp up its expansion in the Asia-Pacific region;
- expand distribution of the Thrustmaster brand to more than 140 countries worldwide.

- North America

The Group's North American sales grew 151% in the year, up from €14.1 million to €35.4 million.
Major business agreements entered into by the Group included an agreement with retailer Best Buy US to sell two racing wheels and two joysticks throughout its US store network and through its online store. Sales came on stream in the first quarter of 2021 at Best Buy and the second quarter of 2021 at Dixons.

- European Union

The Group's turnover in Europe grew 88% in 2020, up from €32.4 million to €61.1 million.

- Other countries

Sales in other regions also increased 67% over the period. Asia-Pacific remained a key region for the Group, posting growth of 85% in 2020. The Group continues to expand its presence in this buoyant region, broadening access to end consumers by rolling out "marketplaces". The Group also made far-reaching changes to its distribution structure across two promising growth, one of which is Japan, one of the world's top ten markets for video games. The Group is also extending its sales force in China, South Korea, Taiwan/Hong Kong, Russia and Australia. From the beginning of 2021, the key priority has been to maximize inventory turnover and replenish stocks before they run out, thus reducing market shortages.

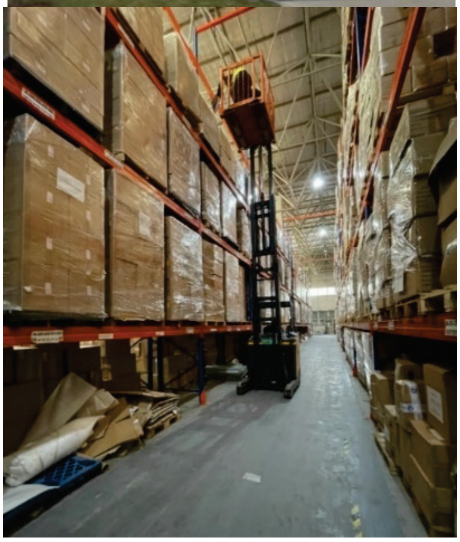
The Group's huge network of distributors includes the following:

- 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 An efficient global supply chain



The Group covers three global regions that account for the majority of high-tech product sales – North and South America, Europe and Asia – and optimizes logistical flows, shipping directly 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 cover 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 and e-commerce shipments, enabling the Group to ship to all continents.

Thanks to the development and evolution of its Hong Kong logistics platform since early 2013, the Group continues to optimize product flows to its European, Asian and American customers by shipping direct from Asia, enabling it to optimize its supply chain and thus offer faster deliveries to customers while reducing the environmental impact of shipping.

3.3 Customer service

The Group's customer service is provided by advisors based in France, Canada (Montreal) and Romania (Bucharest). Requests come in by e-mail, online chat and telephone in five different languages. In 2020, the Group expanded its France-based customer service workforce to meet growing demand. It uses a subcontractor to handle customer service for China and Japan. In 2020, the Group used its warehouse in China to ship products from China to the European Union by train.

3.4 A marketing strategy focused on the consumer experience and underpinned by prestigious partnerships with brand champions

The video game industry represents a key form of entertainment across multiple platforms, with the installed base of PlayStation®4, Nintendo Switch and Xbox One® consoles growing at a phenomenal rate and the latest-generation Playstation®5 and Xbox series X|S consoles in the ascendancy.

Furthermore, consumers keen to quickly adopt new digital devices are eager to engage in direct and open dialogue with the brand. This underlying trend has brought about a profound change in the Group's relationship with users, requiring the Group to rapidly upgrade its resources and update its objectives.

Key achievements for the Thrustmaster brand in 2020 include the following (see Note 5.6.1 to the consolidated financial statements to December 31, 2020, "Segment information by business area"):

- saw continued uptake of its ESWAP range of gamepads, winning the approval of professional gaming communities all over the world thanks to competitions and teaming up with a number of ambassadors to promote its gamepads within their communities;
- strengthened its presence in eSports by entering into new partnerships with the eSports division of Scuderia Ferrari and the 24 Hours of Le Mans in racing, as well as with Epic Games in the USA for Rocket League competitions with the ESWAP range;

- worked with Microsoft Seattle to release the new TCA range, in partnership with Airbus, to coincide with the summer 2020 release of Microsoft Flight Simulator;
- worked with EA Studios to integrate Thrustmaster joysticks with the eagerly awaited Squadrons game, released November 2020;
- fueled growing worldwide interest in the use of joysticks for gaming, leading to record growth in sales in the year;
- worked on changing its internal structure to facilitate its new goal of partnering even more closely with gamers.

Thrustmaster is ramping up all its partnerships as well as its commitment to competitions and events that matter to the gaming communities the Group aims to satisfy.

As a pioneer in partnership marketing, Thrustmaster has been working for over 15 years with prestigious partners such as Ferrari, the US Air Force and now Airbus and the 24 Hours of Le Mans, always with the aim of providing gamers with unparalleled levels of immersiveness. Thrustmaster's global reputation is built on its expertise in identifying expectations and designing products that dramatically shift perceptions and performance and offer gamers an ever more realistic experience.

The Group's wealth of expertise and experience in this area gives rise to synergies that open up new possibilities for continuing to design products that are often dependent on groundbreaking technological achievements in a constantly changing environment.

The Group was quick to understand the importance of listening to its end users and working with ambassadors, some of whom have been in the public eye for a decade or more. With the increasing complexity of communication channels and their overlapping areas of influence, influencers are now a vital part of any marketing strategy. Thanks to its rigor and respectability in the relevant areas, the Group is able to rely on well-known figures who are recognized in their fields to promote its brand values.

3.5 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. This competitive landscape is characterized in particular by a growing reliance on technological advances linked to changing consumer behaviors and by the presence of experienced competitors.

Against this backdrop, the Group enjoys a significant competitive edge and works hard to stay ahead of the curve and constantly reinvent its products. 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 boasts a range of unique, differentiated products that help it more effectively meet the needs of gamers worldwide.

Main competitors by product category	
DJing	American Audio, M Audio, Native Instruments, Numark, Pioneer, Denon DJ, Roland
Wireless speakers	Apple, Braven, Bose, Creative Labs, Jabra, JBL, Marshall, Philips, Sonos, UE
PC gaming accessories	Corsair, Fanatec, Logitech, Razer, Steelseries, Nacon
Console gaming accessories	Big Ben Interactive, Fanatec, Hori, Microsoft, PDP, Razer, Sony
Headsets for online gamers	Astro, HyperX, Logitech, PDP, Plantronics, Razer, Sennheiser, SteelSeries, Turtle Beach
Gamepads	Microsoft, Nacon, Nintendo, PDP, Astro, Sony, Razer

3.6 Attendance at international trade shows: a busy year for virtual competitions

Through its Hercules and Thrustmaster brands, the Group regularly attends the largest international trade shows to meet with key customers, form new partnerships and tap into the latest trends and the status of the sector in which it operates. It also hosts events at its stands showcasing new products and giving visitors the chance to test them out. Trade shows are also an opportunity for the Group to meet with members of the press who come to look at new products.

The Group was unable to physically attend any international trade shows in 2020, with all shows from March onwards canceled because of the global pandemic. However, the Group was able to meet with customers at the Consumer Electronics Show, while its attendance at the NAMM Show paved the way for the launch of the *DJControl Inpulse 500* range.

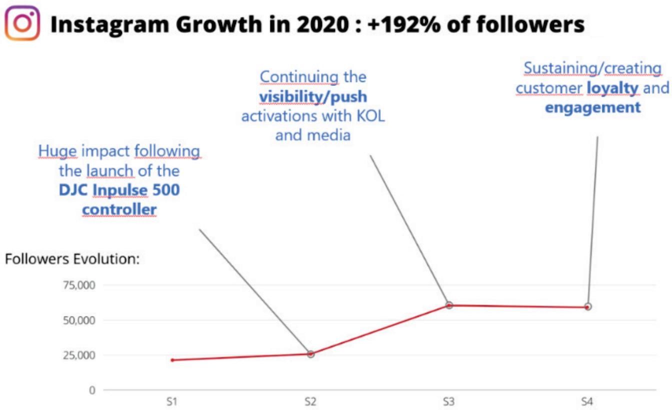
3.7 Positive press play, international recognition and social media management

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 further boost its brand visibility on social media.

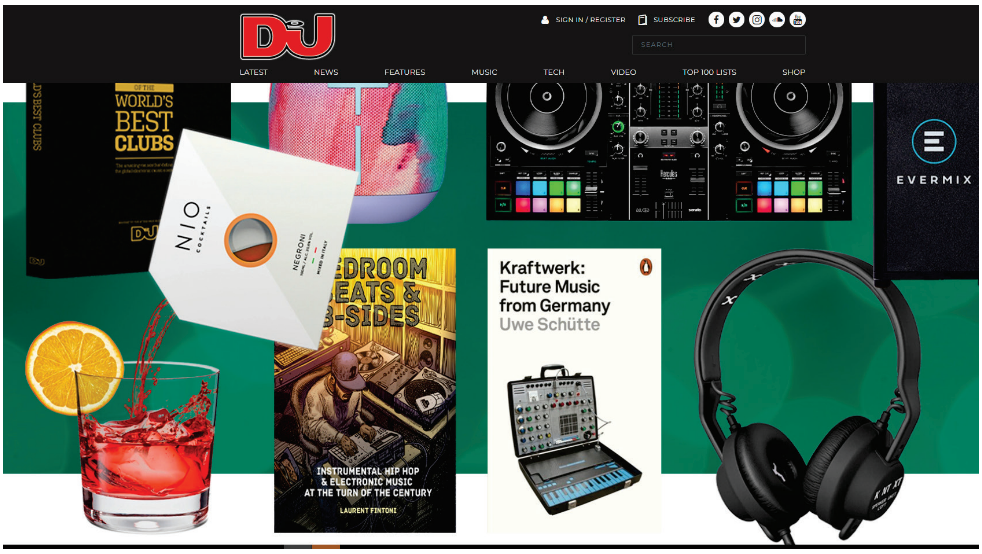
This communication strategy has a significant positive impact on public awareness of the Group's products and drives increased sales. It also contributes to the global relevance and competitiveness of the Group's product ranges. In response to current trends, over the past few years the Group has called on not just YouTubers but also other influencers to support its products and raise awareness of its brands in the gaming and DJ communities. The Group is committed to developing this communication channel to harness the growing power of social media.

3.7.1 Hercules range

Hercules products often garner awards and are the subject of press and video coverage.
Hercules's main social media channels grew in visibility in 2020: its Instagram feed gained over 192% more followers, demonstrating the brand's appeal.

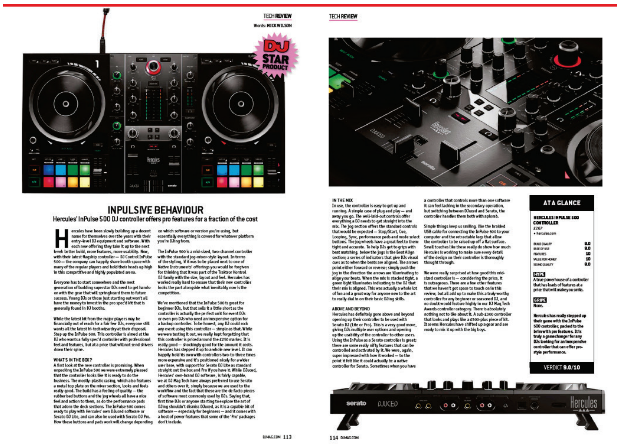


The *Hercules DJControl Inpulse 500* made the headlines in the December issue of DJ Mag as well as featuring in the magazine's Christmas gift guide.



DJ Hapa participated in a second livestream on the Hercules Instagram page, giving advice on mixing with the *Hercules DJControl Inpulse 500*. The stream attracted over 2,700 views.

UK website DJ Mag awarded the *Hercules DJControl Inpulse 500* "Star Product" status, giving it a score of 9 out of 10.



Website Digital DJ Tips gave a demo of the controller on June 11, 2020.

Meanwhile, Spanish influencer Sergei Rez, well known in the DJ industry, shared his positive impressions of the DJUCED software on July 4, 2020.

Famous French influencer Joyca, who has over 2 million followers, posted a long Instagram story about his beginnings as a DJ with the Hercules RMX and talked about how Hercules had made a big step forward with the *DJControl Inpulse 500*.

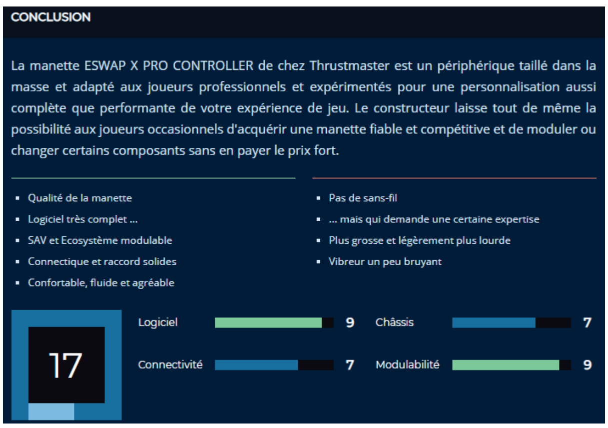
3.7.2 Thrustmaster range

French website www.lesnumeriques.com, which specializes in electronic equipment, recently awarded the latest Thrustmaster T-LCM pedal set 5 out of 5, describing it as a "hit".

Website www.jeuxvideo.com gave the T-LCM a score of 18 out of 20, finding that "whether on PC or console, this high-performance pedal set makes for a genuine thrill ride as well as being very affordable. Great work."

In mid-December 2020, UK website www.t3.com, one of the top 100 IT websites, recommended the Thrustmaster ESWAP X PRO CONTROLLER, describing it as "just a superb controller for Xbox and PC gamers".

French website GameWave awarded the ESWAP X PRO CONTROLLER a score of 17 out of 20, commending the gamepad for its modularity and applauding Thrustmaster for its very comprehensive software.


CONCLUSION

La manette ESWAP X PRO CONTROLLER de chez Thrustmaster est un périphérique taillé dans la masse et adapté aux joueurs professionnels et expérimentés pour une personnalisation aussi complète que performante de votre expérience de jeu. Le constructeur laisse tout de même la possibilité aux joueurs occasionnels d'acquérir une manette fiable et compétitive et de moduler ou changer certains composants sans en payer le prix fort.

- Qualité de la manette
- Logiciel très complet ...
- SAV et Ecosystème modulable
- Connectique et raccord solides
- Confortable, fluide et agréable

- Pas de sans-fil
- ... mais qui demande une certaine expertise
- Plus grosse et légèrement plus lourde
- Vibreur un peu bruyant

17

Logiciel 9
Châssis 7
Connectivité 7
Modulabilité 9

UK website Pocket-lint.com selected the ESWAP X PRO CONTROLLER as one of the best Xbox controllers of 2020.


Home > Games > Game buyer's guides > Xbox game buyer's guides

Best Xbox controllers 2020: Get the edge with these third-party and official pads

Max Freeman-Mills, Contributing editor · 2 December 2020 · Analysis

Thrustmaster eSwapX Pro Controller

On January 17, 2021, French website Clubic described it as “a big hit” and “the Rolls-Royce of wired gamepads”.


Sommaire

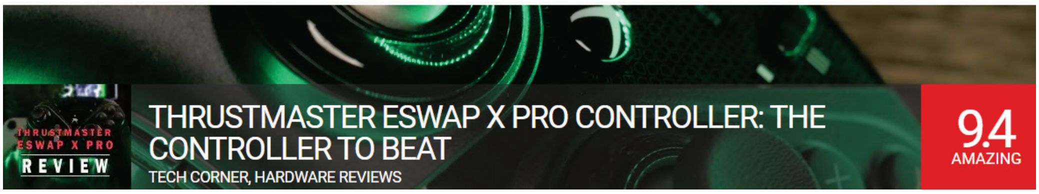
Thrustmaster eSwap X Pro Controller

8

Si elle ne destine pas à tout-un chacun, l'eSwap X Pro Controller est incontestablement une grande réussite. Modulaire, confortable et redoutable de précision, elle doit toutefois faire avec une tarification « délicate » surtout pour un modèle filaire.

On December 14, 2020, www.keengamer.com, which attracts over 770,000 visits each month, published a review of the latest ESWAP X gamepad and awarded it an outstanding score of 9.4 out of 10, saying the controller “defends its spot as one of the finest, sturdiest and most precise controllers […]. Its functionality and moddability is second to none, with more features than even the top tier controllers out there right now.”


GOOD
Unrivaled mod options
Onboard volume controls
Sturdy and solidly built
Companion PC Software
BAD
Wired connectivity
Micro-USB
9.4
AMAZING


THRUSTMASTER ESWAP X PRO
REVIEW
THRUSTMASTER ESWAP X PRO CONTROLLER: THE CONTROLLER TO BEAT
TECH CORNER, HARDWARE REVIEWS
9.4
AMAZING

4. Group results and presentation of the financial statements for the fiscal year ended December 31, 2020

4.1 Group key figures and segment information

4.1.1 Key figures

Key figures from Guillemot Corporation's consolidated financial statements for the fiscal year ended December 31, 2020 are as follows:

(€m)	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Turnover	120.6	60.9	81.2
Net income from ordinary activities	19.0	-2.6	6.9
Net operating income	23.1	-2.6	6.9
Net financial income*	7.4	-4.6	3.1
Consolidated net income	29.8	-6.4	12.2
Basic earnings per share	€1.95	-€0.42	€0.80
Shareholders' equity	79.7	50.3	58.3
Net debt (excl. AFS securities)**	-18.2	10.2	7.9
Inventories	20.6	21.4	24.9
Intangible assets	15.4	11.4	11.1
Current financial assets (AFS securities portion)	35.0	27.3	31.3

* 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 2020 totaled €120.6 million, up 98% year on year. Net income from ordinary activities came in at €19.0 million, compared with a €2.6 million net loss from ordinary activities in the year ended December 31, 2019.

Net operating income came in at €23.1 million after taking into account a €4.1 million write-back of impairment on the Thrustmaster brand.

Net financial income of €7.4 million included a €7.7 million revaluation gain on current financial assets (available-for-sale securities) consisting of Ubisoft Entertainment shares.

The Group posted net profit of €29.8 million for the year, compared with a net loss of €6.4 million in 2019, after taking into account a €0.7 million tax expense in the year.

Current financial assets totaled €35.0 million at December 31, 2020, consisting of 443,874 Ubisoft Entertainment shares.

Net debt excluding available-for-sale (AFS) securities was negative at -€18.2 million.

Shareholders' equity increased from €50.3 million to €79.7 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

(in € millions)	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Hercules	**8.0**	**4.7**	**4.4**
Standard product lines	7.2	4.1	3.7
OEM*	0.8	0.6	0.7
Thrustmaster	**112.6**	**56.2**	**76.8**
Standard product lines	112.6	56.2	76.8
OEM	0.0	0.0	0.0
TOTAL	**120.6**	**60.9**	**81.2**

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

- By geographical region

(€m)	Dec 31, 2020	Dec 31, 2019	Change
European Union	61.1	32.4	+89%
North America	35.4	14.1	+151%
Other	24.1	14.4	+67%
TOTAL	**120.6**	**60.9**	**+98%**

4.1.4 Breakdown of net operating income by business area

(€m)	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Hercules	-0.2	-1.7	-2.6
Thrustmaster	23.3	-0.9	9.5
TOTAL	**23.1**	**-2.6**	**6.9**

4.2 Presentation of the financial statements for the fiscal year ended December 31, 2020 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 €120,619k excluding taxes.
The main operating expenses were purchases totaling €59,656k.

External expenses of €17,554k mainly consisted of transportation, advertising and marketing costs.

Employee expenses totaled €11,000k, while additions to amortization, depreciation and provisions totaled €7,104k.

Taxes and duties totaled €779k and other income and expenses netted out at a €7,405k expense.

Net income from ordinary activities totaled €18,970k.

Net operating income came in at €23,080k after taking into account a €4,110k write-back of impairment on the Thrustmaster brand.

The cost of net financial debt came in at €129k and other financial income and expenses netted out at income of €7,529k, including a €7,661k revaluation gain on the Group's holding of Ubisoft Entertainment shares.

After taking into account these items and a €699k tax expense, the Group posted net income of €29,781k.
Basic earnings per share came out at €1.95.

4.2.1.2 Balance sheet

Non-current assets consisted of €15,425k in net intangible assets, €4,499k in net property, plant and equipment, €447k in financial assets, €404k in tax assets and €3,489k in deferred tax assets.

Current assets included the following items:

- Inventories with a net value of €20,611k, taking into account €3,003k in impairment charges
- Trade receivables with a net value of €28,245k, taking into account €181k in provisions for doubtful accounts
- Other receivables with a net value of €3,887k, mainly consisting of receivables in relation to value added tax and advances and progress payments made
- Financial assets totaling €34,995k and cash and cash equivalents totaling €29,024k

Shareholders' equity stood at €79,709k.

Non-current liabilities totaled €7,403k, including borrowings of €6,020k.

Current liabilities totaled €54,056k, including €4,853k in foreign currency borrowings and advances.

Cash flows from operations may be broken down as follows:

	At Dec 31, 2020
Net income from consolidated companies	29,781
+ Dotations aux amortissements et provisions	4,802
- Reprises des amortissements et provisions	-4,130
-/+ Gains et pertes latents liés aux variations de juste valeur	-7,661
-/+ Plus et moins-values de cession	0
Change in deferred taxes	-2,339
Operating cash flow after cost of financial debt	**20,453**
Cost of financial debt	129
Operating cash flow before cost of financial debt	**20,582**
Currency translation adjustment on gross cash flow from operations	-34
Change in working capital requirement	**11,565**
Net cash flows from operations	**31,984**
Cash flows from investing activities	
Cash flows from property, plant and equipment and intangible assets	-3,525
Cash flows from non-current financial assets	49
Net cash flows from investing activities	**-3,476**
Cash flows from financing activities	
Dividends paid	0
Borrowings	359
Repayment of borrowings	-3,979
Other cash flows from financing activities	-174
Total cash flows from financing activities	**-3,794**
Impact of foreign currency translation adjustments	**-178**
Change in cash	**24,536**
Net cash at the beginning of the period	4,477
Net cash at the end of the period	29,013

The Group's operating cash flow after the cost of financial debt totaled €20,453k in fiscal year 2020.

The Group's working capital requirement fell by €11,565k in fiscal year 2020 as a result of an increase in supplier credit and stable inventory.

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 2017 and 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 €109,418k in the fiscal year.

Operating income totaled €115,903k.

The main operating expenses were purchases consumed totaling €54,406k and external expenses of €28,922k.

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

Taxes and duties and employee expenses totaled €805k and other expenses came in at €9,456k.

Additions to amortization and depreciation totaled €2,123k.

Additions to provisions on current assets totaled €2,597k.

The company recognized a €768k provision for product returns.

Total operating income less total operating expenses resulted in net operating income of €17,594k.

After taking into account net financial income of €63k, net non-recurring income of €2,956k and a corporate income tax expense of €2,921k, the company posted net income of €17,692k.

Financial income was broken down as follows:

Foreign currency translation adjustments:	-€511k
Interest income and expenses:	-€84k
Net income from disposals of AFS securities:	€338k
Additions to and reversals from provisions:	-€16k
Income from equity interests:	€336k

Interest income mainly consisted of €4k in interest on bank deposits, €8k in current account interest and €21k 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 €97k in interest charges on borrowings and bank balances and €20k in current account interest charges.

Net income from disposals of treasury shares under the liquidity agreement in force totaled €338k.

Write-backs of impairment on shares of subsidiaries totaled €30k, while reversals of provisions on current account advances totaled €21k.

Additions to provisions on shares of subsidiaries totaled €74k.

The company recognized exceptional amortization of €1,154k on development costs and equipment no longer meeting the criteria for capitalization and a one-off impairment write-back of €4,110k on the Thrustmaster brand.

Key interim management figures are as follows:

Production in the year:	€112,645k
Value added:	€29,317k
Earnings before interest, tax, depreciation and amortization:	€28,512k

4.2.2.2 Balance sheet

Net fixed assets totaled €23,706k, consisting of €14,407k in intangible assets, €1,611k in property, plant and equipment and €7,688k in non-current financial assets.

Intangible assets included development costs with a net value of €4,490k. Development costs of €1,018k no longer meeting the criteria for capitalization were retired from the balance sheet.

The net value of inventory stood at €17,351k.

Trade receivables totaled €24,175k, taking into account €505k in provisions for doubtful accounts, including intragroup impairment charges of €325k.

Other receivables with a net value of €1,077k mainly consisted of current account advances to subsidiaries with a net value of €229k, tax receivables totaling €621k and credit notes receivable totaling €180k (including €155k of intragroup credit notes).

The net value of available-for-sale securities totaled €7,124k, including 42,232 treasury shares with a net value of €357k and 443,874 Ubisoft Entertainment S.A. shares with a purchase cost of €6,767k.

Shareholders' equity totaled €44,916k.

Debt may be broken down as follows:

SCHEDULE OF DEBTS (€k)	**At Dec 31, 2020**
Borrowings from credit institutions	8,897
Bond issue	0
Medium-term bank loans	56
Bank overdrafts and foreign currency advances	9
Trade payables	33,013
Taxes and social security payable	3,151
Other liabilities	4,813
Payables to fixed asset suppliers	84
Group and affiliates	1,985
TOTAL	**52,008**
Borrowings taken out during the period	0
Reduction in borrowings via conversion of bonds	0
Reduction in borrowings via repayment	3,620
Debts owed to individuals	0

Cash flows from operations may be broken down as follows:

(€k)	**At Dec 31, 2020**
Net profit (loss)	17,692
Additions to and reversals of amortization, depreciation and provisions (1)	762
Capital gains and losses on disposals	0
Cash generated from operations	**18,454**
Change in operating cash requirement	11,226
Change in non-operating cash requirement	2,511
Change in working capital requirement	**13,737**
Cash flows from investing activities	
Outflows – acquisitions of intangible assets	-2,377
Outflows – acquisitions of property, plant and equipment	-806
Inflows – disposals of property, plant and equipment and intangible assets	0
Outflows – acquisitions of non-current financial assets	-232
Inflows – disposals of non-current financial assets	52
Acquisitions/disposals of subsidiaries	0
Total cash flows from investing activities	**-3,363**
Increases in capital and capital injections	0
Dividends paid	0
Borrowings	0
Repayments of borrowings	-3,620
Total cash flows from financing activities	**-3,620**
Change in cash	25,208
Net cash at the beginning of the period (2)	8,145
Net cash at the end of the period (2)	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.

4.2.2.3 Information on payment terms

Invoices received and issued outstanding 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	500					212	602					733
Total value of invoices concerned (excl. taxes)	7 142	2 917	769	407	316	4 408	18 043	3 279	1 113	37	392	4 821
Percentage of total value of purchases in the year (excl. taxes)	11%	5%	1%	1%	0%	7%						
Percentage of turnover in the year (excl. taxes)							16%	3%	1%	0%	0%	4%
(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 accounts presented to you show a profit of €17,692,226.49, which we propose be apportioned as follows:

- To clear the accumulated deficit: €1,933,763.93
- Statutory reserve: €532,388.47
- Other reserves: €11,404,204.09
- Payment of dividends: €3,821,870.00

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:

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

(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 developments 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 4.5% of turnover in 2020, 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's strategy is mainly focused on a policy of innovating with the aim of offering increasingly unique and high-performance solutions. As well as constantly monitoring emerging technologies with a view to developing its products, the Group is always thinking about the user experience so as to remain in step with user expectations. Its strategy also includes developing partnerships to help it keep ahead of new trends and develop innovations that offer genuine benefits for the Group.

The Group's inherent strengths, combined with lasting and stable strategic partnerships, should enable it to continue to grow its market share.

The Group continues to evolve to keep in step with growth in online sales and to cater for its expanded geographical footprint, which now covers more than 140 countries.

In 2021, the Group will be stepping up its strategy in response to the following key challenges:

- Improving competitiveness and product profitability by optimizing sales and marketing spend
- Adapting its distribution model as online sales continue to grow
- Revitalizing its entire product portfolio, taking care to ensure that all ranges are optimally positioned
- Growing sales by stepping up promotional, communications and sales activities
- Optimizing deployment of its sales force to ensure products are efficiently distributed to customers

- Equipping the Group to adapt to changes in its business sector and environment

8. Foreseeable changes in the position of the Company and the Group

The Group observed strong momentum in the racing and flying accessories markets in the early part of 2021. For full year 2021, the Group is forecasting turnover in excess of €150 million and net income from ordinary activities in excess of €20 million.

9. Significant events occurring after the balance sheet date

None.

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, 2020

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

GUILLEMOT BROTHERS LTD (1)	GUILLEMOT FAMILY	GUILLEMOT CORPORATION S.A.	FREE FLOAT
14.63%	54.86%	0.28%	30.23%

GUILLEMOT CORPORATION S.A.

SUBSIDIARIES (2)

Guillemot GmbH	Germany	99.75%
Guillemot S.A.	Belgium	99.93%
Guillemot Inc. (3)	Canada	74.89%
Guillemot Recherche & Développement Inc.	Canada	99.99%
Guillemot Electronic Technology (Shanghai) Co. Ltd.	China	100.00%
Guillemot Spain SL	Spain	100.00%
Guillemot Inc.	United States	99.99%
Hercules Thrustmaster SAS	France	99.42%
Guillemot Administration et Logistique SARL	France	99.96%
Guillemot Innovation Labs SAS	France	100.00%
Guillemot Corporation (HK) Ltd.	Hong Kong	99.50%
Guillemot Srl	Italy	100.00%
Guillemot Romania Srl	Romania	100.00%
Guillemot Ltd.	United Kingdom	99.99%

INVESTMENTS

Ubisoft Entertainment S.A. (4)	France	0.36%

At December 31, 2020, 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 assumes responsibility for 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 in need of 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 area of influence. The Group controls marketing companies in France, Germany, China, Spain, Italy and the United Kingdom, and distributes its products in over a hundred 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, 2020

At the most recent balance sheet date of December 31, 2020, 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, 2020, 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, 2020.

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, 2020, the Guillemot family group directly and indirectly held 69.49% of the share capital and 81.85% 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, 2020, the Company had no employee shareholders as defined in Article L.225-102 of the French Commercial Code.

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%
Michel Guillemot	1,054,059	6.89%	2,108,118	8.22%	2,108,118	8.23%
Claude Guillemot	1,224,574	8.01%	2,449,148	9.55%	2,449,148	9.56%
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%
Michel Guillemot	1,054,059	6.89%	2,093,118	8.19%	2,093,118	8.22%
Claude Guillemot	1,224,574	8.01%	2,434,148	9.52%	2,434,148	9.56%
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%**

At December 31, 2018						
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 S.E. (2)	3,000,497	19.627%	6,000,994	22.835%	6,000,994	22.884%
Michel Guillemot	1,870,411	12.235%	3,725,822	14.177%	3,725,822	14.208%
Claude Guillemot	1,836,074	12.010%	3,657,148	13.916%	3,657,148	13.946%
Christian Guillemot	1,529,016	10.002%	2,995,995	11.400%	2,995,995	11.425%
Gérard Guillemot	1,442,361	9.435%	2,869,722	10.920%	2,869,722	10.944%
Yves Guillemot	1,426,073	9.328%	2,837,146	10.796%	2,837,146	10.819%
Other members of the Guillemot family	12,553	0.082%	13,355	0.051%	13,355	0.051%
Together	**11,116,985**	**72.719%**	**22,100,182**	**84.095%**	**22,100,182**	**84.278%**
Treasury shares (3)	57,127	0.374%	57,127	0.217%	0	0.000%
Free float	4,113,368	26.907%	4,122,821	15.688%	4,122,821	15.722%
TOTAL	**15,287,480**	**100.000%**	**26,280,130**	**100.000%**	**26,223,003**	**100.000%**

(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. A societas Europaea (SE) converted into a limited liability company.

(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, 2021

At February 28, 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	17.43%	4,472,244	17.44%
Michel Guillemot	1,054,059	6.89%	2,108,118	8.22%	2,108,118	8.22%
Claude Guillemot	1,224,574	8.01%	2,449,148	9.55%	2,449,148	9.55%
Gérard Guillemot	983,736	6.43%	1,967,472	7.67%	1,967,472	7.67%
Yves Guillemot	814,573	5.33%	1,629,146	6.35%	1,629,146	6.35%
Christian Guillemot	773,715	5.06%	1,283,055	5.00%	1,283,055	5.00%
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	27.47%
Together	**10,624,070**	**69.50%**	**20,964,929**	**81.72%**	**20,964,929**	**81.77%**
Treasury shares (3)	15,263	0.10%	15,263	0.06%	0	0.00%
Free float	4,648,147	30.40%	4,673,637	18.22%	4,673,637	18.23%
TOTAL	**15,287,480**	**100.00%**	**25,653,829**	**100.00%**	**25,638,566**	**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. A societas Europaea (SE) converted into a limited liability company.
(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, 2020:

Declarant	**Nature of transaction**	**Transaction date**	**Location of transaction**	**Number of shares**	**Unit price (€)**	**Transaction amount (€)**
Christian Guillemot (1)	Sale	24/07/2020	Euronext Paris	100,000	4.34	433,700.00
	Sale	27/07/2020	Euronext Paris	100,000	4.24	424,280.00
	Sale	29/07/2020	Euronext Paris	77,432	4.89	378,650.22
	Sale	30/07/2020	Euronext Paris	22,568	4.45	100,459.20
	Sale	03/08/2020	Euronext Paris	19,865	5.24	104,070.75
	Sale	04/08/2020	Euronext Paris	66,655	5.04	336,174.49
	Sale	05/08/2020	Euronext Paris	13,480	5.19	69,912.67
	Sale	03/11/2020	Euronext Paris	27,184	7.48	203,292.83
	Sale	04/11/2020	Euronext Paris	72,816	7.23	526,801.92
			Total	**500,000**		**2,577,342.08**

(1) 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, 2020, no share ownership thresholds referred to in Article L.233-7 of the French Commercial Code were crossed.

At February 28, 2021, the total number of voting rights attaching to shares making up the company's share capital used to calculate significant shareholding thresholds was 25,653,829.

12.1.5 Treasury shares

12.1.5.1 Share buyback program

The Board of Directors was authorized at the shareholders' general meeting of June 4, 2020 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 December 3, 2021)
- Maximum authorized proportion of share capital: 10%
- Maximum unit purchase price: €10

- 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 the 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, 2020, the Company held 100,781 treasury shares.

During the fiscal year ended December 31, 2020, 546,821 treasury shares were purchased and 605,370 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, 2020.

At December 31, 2020, the Company held 42,232 treasury shares.

Number of shares registered in the Company's name at December 31, 2019:	100,781
Number of shares purchased during the fiscal year ended December 31, 2020:	546,821
Average purchase price:	6.03 €
Number of shares sold during the fiscal year ended December 31, 2020:	605,370
Average selling price:	5.83 €
Number of shares retired during the fiscal year ended December 31, 2020:	0
Total trading fees in the fiscal year ended December 31, 2020:	0
Number of shares registered in the Company's name at December 31, 2020:	42,232
Value of shares registered in the Company's name at December 31, 2020, valued at purchase price:	357,313.91 €
Total par value of shares registered in the Company's name at December 31, 2020:	32,518.64 €
- o/w under the liquidity agreement (42,232 shares):	*32,518.64 €*
Number of shares used during the fiscal year ended December 31, 2020:	605,370
- o/w sales under the liquidity agreement (605,370 shares)	
Reallocations during the fiscal year ended December 31, 2020:	None
Proportion of capital represented by shares held at December 31, 2020:	0.28%

At February 28, 2021, the Company held 15,263 treasury shares, accounting for 0.10% of its share capital; since January 1, 2021, the company had purchased 13,387 shares and sold 40,356 shares under the liquidity agreement granted to Portzamparc Société de Bourse.

12.1.5.2 Liquidity agreement

The Company mandated Portzamparc Société de Bourse to implement a liquidity agreement, which took effect on January 1, 2019. This agreement complies with AMF decision 2018-01 of July 2, 2018, applicable with effect from January 1, 2019, introducing 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 Société de Bourse:

- 57,127 shares; and
- €146,840.97 in cash

12.1.5.3 Description of the share buyback program to be submitted for approval at the shareholders' general meeting of May 27, 2021

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: May 27, 2021
- Number of shares held by the issuer (directly and indirectly) at February 28, 2021: 15,263
- Proportion of capital held by the issuer (directly and indirectly) at February 28, 2021: 0.10%
- Breakdown of shares held by the issuer by intention at February 28, 2021:

- Liquidity agreement: 15,263

- 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 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 the 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

- 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 C)
- Maximum unit purchase price: €40
- Duration of buyback program: 18 months from the date of the shareholders' general meeting (i.e. expiring November 26, 2022)

12.1.6 Shareholders' undertakings and shareholders' agreement

On May 3, 2019, Claude Guillemot, Michel Guillemot, Yves Guillemot, Christian Guillemot and Guillemot Brothers Limited signed a collective undertaking to hold Guillemot Corporation shares for a period of two years (the "Dutreil undertaking"). This undertaking related to 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 SA. The latter:

- 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 consent of the donor, 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 C).

ISIN	:	FR0000066722
Market capitalization at December 31, 2020	:	€ 130,860,828.80
Market capitalization at February 28, 2021	:	€ 198,737,240.00

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-19	360,734	17,178	2.40	2.82	2.14
Oct-19	381,189	16,573	2.15	2.46	1.87
Nov-19	351,441	16,735	2.33	2.41	2.00
Dec-19	393,097	19,655	2.42	2.50	2.30
Jan-20	419,571	19,071	2.31	2.58	2.14
Feb-20	289,836	14,492	1.98	2.45	1.81
Mar-20	673,762	30,626	2.07	2.17	1.30
Apr-20	943,519	47,176	2.30	2.55	1.90
May-20	364,461	18,223	2.31	2.50	2.08
Jun-20	1,180,073	53,640	3.50	3.68	2.46
Jul-20	2,892,515	125,762	4.82	5.10	3.15
Aug-20	2,512,718	119,653	7.46	7.96	4.61
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

(Source: Euronext) (September 1, 2019 to February 28, 2021)

(September 1, 2019 to February 28, 2021)

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 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

- Dependence on certain suppliers

The degree of dependence on a given supplier depends on how technologically complex the product in question is.

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 can lead to significant production delays. Moreover, production stoppages by certain suppliers of critical components could necessitate changes in electronic product design, thus delaying shipment of affected products.

- Stoppages, tie-ups and concentration

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

If one of its suppliers should fail or undergo a change of control, Guillemot Corporation's market position means it would be able to turn to alternative supply sources. 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 production, and thus 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, 2020, the net value of listed securities in the portfolio stood at €34,995k.

Inventory of securities in the portfolio at December 31, 2020

Inventory of securities in the portfolio	Market	Number of securities at December 31, 2020	Market value (€k) (1)
Ubisoft Entertainment S.A. (shares)	Euronext Paris	443,874	34,995
		Total	**34,995**

(1) Based on the share price on the last day of December 2020 (Ubisoft Entertainment: €78.84).

The Group's earnings are affected by fluctuations in the market price of shareholdings. A 10% decrease in the price of Ubisoft Entertainment shares over the course of 2021 (relative to their price at December 31, 2020) would reduce net financial income by €3.5 million.

At March 19, 2021, the closing price of Ubisoft Entertainment shares was €63.74, down 19.15% relative to their price at December 31, 2019. This decrease would give rise to the recognition of a revaluation loss of €6,702k 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 2020, the Group generated 29% of its consolidated turnover in the United States.

The following US import tariffs apply to some of the 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 2020 totaled $1.0 million.

The Group generally passes on these tariffs in its retail selling prices, which may have an impact on sales.

13.4 Technological risk

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

In manufacturing its ranges of 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 result in some products becoming obsolete, giving rise to inventory of those products being at risk of impairment.

Impairment losses recognized in the income statement in respect of fiscal year 2020 totaled €2.3 million.

Cumulative impairment of inventory in the balance sheet at December 31, 2020 totaled €3.0 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, with 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 enhance performance.

However, demand may fluctuate significantly as economies go into and emerge from lockdown, resulting in unstable sales volumes.

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 expiry date ("sell-off clauses"). 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 RELATING 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 applied;
- 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 upon which the Group's internal control system is founded. Each employee has the knowledge needed to establish, operate and monitor the internal control system 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 the preparation of procedures and resources put in place to ensure the proper operation and monitoring of internal control.

14.2.2.3 Administration and Finance departments

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

- Accounting and Consolidation

Accounting 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 timescales meeting the demands of financial markets
- To take responsibility 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 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, subject to predefined 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 accounting 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 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 department responsible for information systems 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.

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 variety 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

- Technological risk

In manufacturing its ranges of 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 result in some products becoming obsolete, giving rise to inventory of those products being at risk of impairment.

- Risks associated with supply sources

Dependence on certain suppliers:

The degree of dependence on a given supplier depends on how technologically complex the product in question is.

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 can lead to significant production delays. Moreover, production stoppages by certain suppliers of critical components could necessitate changes in electronic product design, thus delaying shipment of affected products.

Stoppages, tie-ups and concentration:

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

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

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.

It 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' 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, 2020, the Group had fixed-rate financial liabilities totaling €10,862k and floating-rate financial liabilities totaling €11k. At December 31, 2020, the Group had no borrowings covered by acceleration clauses. Based on the Group's outstanding unhedged floating-rate financial liabilities at December 31, 2020, a 1% increase in interest rates on an annual basis would have no impact on net financial income.

- Foreign exchange risk

Since all major players in the multimedia industry transact in US dollars, no given 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 momentum allows.

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 lower 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, 2020 is as follows (unhedged assets only – i.e. those exposed to interest rate risk):

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

(€k)	USD	GBP
Assets	23,680	255
Liabilities	24,215	65
Net position before hedging	-525	190
Off balance sheet position	0	0
Net position after hedging	-525	190

Based on foreign currency values exposed to exchange rate fluctuations at December 31, 2020, a 10% annual decrease in US dollar exchange rates would result in a financial gain of €35k.

Based on foreign currency values exposed to exchange rate fluctuations at December 31, 2020, a 10% annual decrease in the sterling exchange rate would increase financial expenses by €19k.

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 local currency; the impact on shareholders' equity in fiscal year 2020 was -€545k.

- Equity risk

At December 31, 2020, the net value of listed securities in the portfolio stood at €34,995k.

Inventory of securities in the portfolio at December 31, 2020

Inventory of securities in the portfolio	Market	Number of securities at December 31, 2020	Market value (€k) (1)
Ubisoft Entertainment S.A. (shares)	Euronext Paris	443,874	34,995
		Total	**34,995**

(1) Based on the share price on the last day of December 2020 (Ubisoft Entertainment: €78.84).

The Group's earnings are affected by fluctuations in the market price of shareholdings. A 10% decrease in the price of Ubisoft Entertainment shares over the course of 2021 (relative to their price at December 31, 2020) would reduce net financial income by €3.5 million.

At March 19, 2021, the closing price of Ubisoft Entertainment shares was €63.74, down 19.15% relative to their price at December 31, 2019. This decrease would give rise to the recognition of a revaluation loss of €6,702k in the Group's consolidated financial statements at that date.

- Credit risk

Credit risk is the risk of financial loss in the event that a customer should fail to meet its contractual obligations. The Group manages this risk by taking out credit insurance.

Since the Group uses wholesalers, it has a limited number of direct 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 -€18.2 million and a portfolio of Ubisoft Entertainment shares with a market value of €35.0 million at December 31, 2020.

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, 2020.

Caractéristique des titres émis ou des emprunts	Taux fixe	Taux variable	Montant global lignes	Échéances	Couverture
Emprunts auprès des organismes de crédits	10 842		10 842	2021-2022	Non
Découverts bancaires et avances en devises		11	11	2 021	Non
Divers	20		20	2 021	Non
TOTAL (en milliers d'euros)	**10 862**	**11**	**10 873**		

- Acceleration clauses

At December 31, 2020, 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 production, and thus 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.

- 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 State Intellectual Property Office.

The Group mainly protects innovative technology 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 paying 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 license 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 mainly consist of 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 19% of consolidated turnover, its top five customers account for 51% and its top ten customers account for 70% of consolidated turnover.

Outstanding receivables not recovered in connection with the Group's top ten customers totaled €4,612k at December 31, 2020.

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

The Group takes out 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.

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 expiry date ("sell-off clauses"). 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.

The controls in place form an operating framework internal to the Group and are constantly evolving with the aim of ultimately serving to manage risks at every level of the Group.

14.2.3.2 Financial control procedures

- Business planning

Business planning is organized centrally at head office 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 Financial Control and Finance to draw up a budget for the year.

Proposed targets are signed off by senior management and twice-yearly meetings are held with operational managers 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 Accounting 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 facilitating work on 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 Legal department and Sales, notably in keeping with regulatory developments.

Customer solvency is an ongoing concern for the Group. Accordingly, strict procedures apply from management level all the way down to customer advisors. The result is that new customers are subject to a rigorous selection process and must take out adequate credit insurance before the Group does business with them. Payments (and associated reminders) are continuously and systematically monitored under the dual responsibility of the Customer Accounting and Sales departments.

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 an ongoing 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 operational staff 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 risk 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, invoicing 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 invoicing system to optimize productivity and security.

The principle of separation of tasks is applied within the Accounting 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.

- Period-end accounting procedures

At the period-end, the parent company financial statements are presented to senior management by Accounting and inventory items are jointly analyzed by Accounting 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 checks on returns submitted by subsidiaries, the review of control reports produced by the consolidation system and checks on consolidation analysis reports.

- Relations with the statutory auditors

Relations with the statutory auditors are structured as follows:

- A meeting is held before the period-end, attended by senior management, to agree on the calendar and the organizational approach and approve key accounting options.
- A summary meeting after the period-end accounts have been produced, attended by senior management, is held to gather any comments from the statutory auditors on the parent company and consolidated financial statements.

The accounts 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 consists of financial and accounting reports, registration documents and financial press releases. These documents are signed off by relevant members of the administration and finance teams, 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 (available from the site in French and English).

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 their 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 2020 are as follows:

- Implementation of new CRM software for user support
- Migration of the payroll application in France to a cloud-based platform
- Adoption of paperless pay slips in France
- Development of new functionality within the Group's accounting software
- Overhaul and upgrade of functionality within the Group's ERP system
- Across-the-board implementation of homeworking
- Upgrading of stores:
    - Optimization of order processing to meet strong demand
    - Change of payment module
    - Management of Brexit
    - Addition of live chat functionality with support agents

The following projects are planned for 2021:

- Release of new CRM software for user support
    - Includes an area for customers to manage their information
- Upgrade of functionality within the Group's ERP system
    - Shipping costs on purchases
    - Overhaul of order management
- Development of new decision dashboards (using MSPowerBI)
- Online store
    - Technical spares sales module
- Paperless supplier invoices in Canada

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

At December 31, 2020, 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 2020 including quantitative and qualitative information on all social issues covered by the "Grenelle II" Act across a comprehensive consolidated scope.

15.1.1 Employment

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, 2020						At December 31, 2019					
	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**	**53**	**58**	**4**	**85**	**205**	**5**	**45**	**54**	**3**	**84**	**191**
O/w permanent contracts	5	47	52	3	75	182	5	42	52	3	78	180
O/w fixed-term contracts	0	6	6	1	10	23	0	3	2	0	6	11
O/w women	0	27	29	0	24	80	0	27	26	0	26	79
O/w men	5	26	29	4	61	125	5	18	28	3	58	112
Aged under 30	0	10	15	1	11	37	0	5	15	0	13	33
Aged 30-39	0	9	14	1	29	53	0	9	12	1	29	51
Aged 40-49	0	13	19	0	32	64	0	12	18	0	30	60
Aged 50 and over	5	21	10	2	13	51	5	19	9	2	12	47

The Group's total workforce in 2020 averaged 189 people, compared with 185 in 2019.

15.1.1.2 Recruitment and dismissals

During the fiscal year ended December 31, 2020, a total of 15 people were recruited onto permanent contracts: ten in France, two in Canada, two in the United Kingdom and one in China (Hong Kong).

A Canadian company dismissed one employee in 2020.

In 2019, Group companies recruited ten people onto permanent contracts: five in France, three in Canada, one in China (Hong Kong) and one in the United Kingdom.

In 2019, no employees left the Group following a unilateral decision by the company that employed them.

15.1.1.3 Changes in remuneration

(€k)	2020		2019	
Company	Compensation in year	Social security contributions in year	Compensation in year	Social security contributions in year
Parent company	309	93	220	78
Hercules Thrustmaster SAS	3,145	1,248	2,826	1,196
Guillemot Administration et Logistique SARL	2,047	778	1,784	680
Guillemot Innovation Labs	359	148	325	138
Consolidated foreign subsidiaries	3,834	384	3,522	387
Total	**9,694**	**2,651**	**8,677**	**2,479**

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 2020 and 2019.

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 do not apply to the Group's French companies.

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% of the workforce at December 31, 2020, compared with 5% at December 31, 2019.

A total of 1,812 overtime hours were worked in 2020: 530 in France and 1,282 at foreign companies (compared with 1,232 in 2019: 616 in France and 616 at foreign companies).

15.1.2.2 Absenteeism

The number of days' absence at consolidated subsidiaries is broken down as follows:

2020					2019				
Guillemot Administration et Logistique	Hercules Thrustmaster	Guillemot Innovation Labs	Foreign subsidiaries	Total	Guillemot Administration et Logistique	Hercules Thrustmaster	Guillemot Innovation Labs	Foreign subsidiaries	Total
105	156	13	156.5	**430.5**	85	142	0	286.5	**513.5**
61	90	0	357	**508**	29	183	0	288	**500**
0	1	0	0	**1**	0	0	0	0	**0**
29.32	53.5	7	144	**233.82**	8.36	21	0	45	**74.36**
0	0	9	42	**51**	0	9	0	50	**59**
42	60	8.5	267	377.5	63	104.5	0	53	220.5
237.32	**360.5**	**37.5**	**966.5**	**1601.82**	**185.36**	**459.5**	**0**	**722.5**	**1367.36**

To help employees return to work for the long term following a period of absence, or in specific medical circumstances, the Group's French subsidiaries have discussions 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 follow 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 the rules applicable 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 in addition to the use of personal protective equipment in storage and handling areas, the importance of which is regularly reiterated, 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 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 training in safety, both to prepare them to deal with hazards in the workplace (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 broadened out 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 to changing circumstances (e.g. due to epidemics). In the context of the global Covid-19 pandemic, this translated into a variety of actions in the year, depending on the prevailing public health situation. The Shanghai business adopted homeworking arrangements at the very beginning of the year; restricted zones were put in place to limit circulation at the Group's main two French sites; and, more generally, personal protective equipment was made available and across-the-board homeworking arrangements were adopted from March 2020. Employees were provided with technical and practical solutions to enable them to feel safe while working, and support measures were put in place to maintain close contact between employees and the Company. Arrangements were subsequently put in place for intermittent on-site working for employees able to work from home; these arrangements were revised over the course of the year taking into account local public health situations and rules.

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

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.

One occupational accident was reported in 2019, with no loss of work or any other consequences for the French employee concerned.

15.1.4 Employee relations

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

Employees of the Group's Romanian subsidiary (until May 2020) and one of its two French subsidiaries are represented by employee representatives.

These employee representative bodies are 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, considering that homeworking would improve work-life balance for eligible employees while helping make the company competitive and attractive.

The Romanian "Collective Labor Agreement", concerning in particular rules applicable to employment contracts and the parties' rights and duties, was renegotiated in 2017. It was to have been renegotiated again in 2020, but this was not possible because of the pandemic. (However, given that the workforce is currently below 20, this is no longer a requirement.)

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 employee 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 2020.

15.1.5.2 Total number of hours' training

Company	2020	2019
Parent company	0	0
Hercules Thrustmaster SAS	85	142
Guillemot Administration et Logistique SARL	271	385
Guillemot Innovation Labs	0	0
Consolidated foreign subsidiaries	32	146
Total	**388**	**673**

These figures only reflect training delivered by accredited outside organizations.

It should be noted that training activities, the vast majority of which involve face-to-face training, were heavily affected by the pandemic, 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 an employee changes jobs; regular product training for sales staff; refresher safety training; help using software packages, etc. 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 80, or 39% of the workforce, at December 31, 2020, compared with 79, or 41% of the workforce, at December 31, 2019) and men in terms of compensation, qualifications, classification, promotion and recruitment.

Unlike in previous years, there was no increase in the proportion of women in the workforce in 2020 (women represented only 34% of the workforce in 2016, rising to 36% in 2017 and 39% in 2018). 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, 2020						At December 31, 2019					
	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**	**53**	**58**	**4**	**85**	**205**	**5**	**45**	**54**	**3**	**84**	**191**
O/w women	*0*	*27*	*29*	*0*	*24*	**80**	*0*	*27*	*26*	*0*	*26*	**79**
O/w men	*5*	*26*	*29*	*4*	*61*	**125**	*5*	*18*	*28*	*3*	*58*	**112**
Male/female sala	N/A	0.9	1.4	N/A	1.2		N/A	1.0	1.5	N/A	1.4	

This indicator continues to be closely monitored.

Starting in 2020, 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 1.13 units* (compared with 1.10 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 the 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 2020 including quantitative and qualitative information on all environmental issues covered by the "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 Preventing environmental risk 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 Carentoir logistics site is sensitive to transportation-related issues.

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

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 for environmental risk have been set aside.

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 and 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 works exclusively with external providers that do not use phytosanitary products.

A transportation protocol has been put in place at the Carentoir logistics site requiring carriers to 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 recent years undertaken an external audit 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.

This audit has also helped identify environmental, logistical and financial savings that could potentially be made depending on what action the Company chooses to take. The Group is continuing with its analysis and incorporating these factors into its product design phase.

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 are handed over to a recycling company. The Carentoir site achieved a 100% recovery rate in 2020. 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 85% was achieved in 2020.

Printer cartridges and used batteries are handed over to specialist recycling and recovery companies. Broken wooden pallets are stored and collected by a company for repair or recycling, with 82% repaired and 18% recycled in 2020.

When repackaging parcels, the Group now always uses biodegradable loose-fill packing materials. An office paper shredding process has been put in place at the Carentoir site, with the resulting shredded paper being reused to repackage 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 (m^3)	2020	2019	Change
France*	362	507	-29%

* Premises located in Carentoir.

For the Group's other subsidiaries, it is physically impossible to provide an individual breakdown of water consumption for leased offices (due either to their being jointly owned or to water consumption being included in 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 within the Group's subsidiaries and paperless invoicing is being developed for some customers.

In 2019, the Group implemented a paperless system for managing the supplier cycle at its French subsidiaries. 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 11 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)	2020	2019	Change
Carentoir (France)	199,302	175,473	14%
Rennes (France)	46,337	43,274	7%
Romania	37,022	42,613	-13%
Canada	53,869	76,666	-30%
Hong Kong	19,113	18,214	5%
Shanghai	6,371	6,071	5%
Italy	1,000	2,522	-60%
Germany	3,112	3,340	-7%
Total	**366,126**	**368,173**	**-1%**

Fuel oil (liters)	2,020	2,019	Change
Carentoir (France)	52,169	60,974	-14%

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.

In several subsidiaries, lighting times are optimized through the use of movement detectors.

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 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 provided 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 it

As regards transportation of goods, the Group optimizes truck fill rates by using freight carriers that combine orders shipped to multiple customers.

Since 2013, the Group has used a logistics platform via a Hong Kong-based provider. 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 2020, direct shipping accounted for 68% of the Group's total shipments by volume, compared with 77% in 2018.

The Group is also proud to have had six containers on the inaugural voyage of the CMA CGM Jacques SAADE, the world's first container ship powered by liquefied natural gas. The ship, which represents a revolution in sea freight, generates 20% less CO_2 emissions than a ship powered by fuel oil and over 90% less fine particulate matter, sulfur dioxide and nitrogen oxide emissions. Alongside its use of rail freight, this approach highlights the Group's desire to reduce 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 increased 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. The Group does not own any production facilities; in the course of its business, it mainly makes use of office premises. 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 production and can 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 2020 including quantitative and qualitative information on all social issues covered by the "Grenelle II" Act across a comprehensive consolidated 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 a viable business idea. 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.
- The ENSMA/ISAE higher national school of mechanics and aeronautics, which has set up a junior enterprise within the institution, aimed at carrying out educational research for businesses.
- FORDE (Fonds de Recherche sur la Doctrine de l'Entreprise – "Fund for corporate policy research"), whose scientific goal is to make accessible all references to books, reports and symposiums on corporate policy.
- AgroCampus Ouest, Institut Supérieur des Sciences Agronomiques, Agroalimentaires et Horticoles (higher institute for agricultural, agri-food and horticultural sciences), which has set up a pre-incubator named Agro Up to help students right at the start of the new business creation process.
- IGR – IAE, which in 2018 launched a university diploma in accounting and financial management. Upon completing this qualification, which is taught through e-learning modules, students will have basic skills and knowledge in accounting, corporate finance and financial control.
- 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 2020, 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 2020, 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 standards in force 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 professions

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 is supported by the expertise of internal and external human resources professionals, both in designing and implementing recruitment processes and in 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 2020, six students completed internships (excluding work experience "taster" programs) at French companies and two students were employed 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, providing opportunities for students to take on work in a manner suited to their study schedules.

In 2019, the Group's French companies hosted six interns undertaking accredited assignments (excluding short-term "Discovery" internships) and employed one student on an apprenticeship contract and another on a youth training contract.

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 jobs 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, 2020. 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 24, 2021

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	2020	2019	2018	2017	2016
I - Financial position at the year-end					
Share capital (€k)	11,771	11,771	11,771	11,554	11,554
Number of shares issued	15,287,480	15,287,480	15,287,480	15,004,736	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	109,418	60,315	77,071	73,991	55,867
Earnings before taxes, depreciation, amortization and provisions	21,368	46	7,613	5,377	-972
Corporate income tax	2,921	-336	655	575	0
Earnings after taxes, depreciation, amortization and provisions	17,692	-1,934	5,842	4,146	-433
Amount of earnings distributed	3,822	0	1,987	0	0
III - Earnings per share (€)					
Earnings after taxes but before depreciation, amortization and provisions	1.21	0.07	0.45	0.32	-0.06
Earnings after taxes, depreciation, amortization and provisions	1.16	-0.13	0.38	0.28	-0.03
Dividend paid on each share	0.25	0	0.13	0	0
IV – Workforce					
Number of employees*	5	5	5	5	5
Total payroll (€k)	309	221	278	309	220
Amount paid out in employee benefits (€k)	92	78	118	106	86

17.2 Five-year financial summary for Guillemot Corporation Group

Fiscal year	2020	2019	2018	2017	2016
Comprehensive income from activities in the year (€k)					
Turnover excluding taxes	120,619	60,875	81,222	80,448	64,226
Earnings before taxes, depreciation, amortization and provisions	37,584	-2,663	14,654	25,799	7,437
Corporate income tax	-699	813	2,196	-2,232	-376
Earnings after taxes, depreciation, amortization and provisions	29,781	-6,414	12,151	17,542	3,059
Amount of earnings distributed	3,822	0	1,987	0	0
Earnings per share (€)					
Earnings after taxes but before depreciation, amortization and provisions	2.41	-0.12	1.10	1.57	0.47
Earnings after taxes, depreciation, amortization and provisions	1.95	-0.42	0.79	1.17	0.20
Dividend paid on each share	0.25	0	0.13	0	0
Workforce					
Number of employees	205	191	183	178	162
Total payroll (€k)	8,613	7,595	7,122	7,405	7,143
Amount paid out in employee benefits (€k)	2,387	2,182	2,231	2,356	2,292

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

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

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 the 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, 2020.

No stock options were awarded, exercised, subscribed for or purchased during the fiscal year ended December 31, 2020.

No stock option plans remained in force at December 31, 2020.

Moreover, no share subscription or purchase options have so far been allotted during the fiscal year beginning January 1, 2021.

Rennes, March 24, 2021

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, 2020.

No free shares were awarded either during the fiscal year ended December 31, 2020 or during prior periods.

Furthermore, no free shares have so far been awarded during the fiscal year beginning January 1, 2021.

Rennes, March 24, 2021

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, 2020.

21.1 Corporate governance code

The Company applies he Middlenext corporate governance code, available from the Middlenext website (www.middlenext.com).

At its meeting of October 26, 2016, the Board of Directors familiarized itself with the items set out in the "Areas for attention" section of the Middlenext code (September 2016 edition). These items were reviewed by the Board of Directors at its meeting of February 28, 2020.

21.2 Directors and executives of Guillemot Corporation S.A.

21.2.1 Directors and executives

<table>
<tr><th colspan="4">Claude Guillemot
Director, Chairman and Chief Executive Officer</th></tr>
<tr><td>Age</td><td>64</td><td colspan="2" rowspan="7">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 specialized the business in the distribution of video games under the "Guillemot International Software" brand. In 1997, he and his four brothers went on to set up Guillemot Corporation Group, which designs and makes 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.
In 1986, he and his brothers also founded Ubisoft Entertainment Group, which designs and sells interactive PC and console games, and in 2000 they established Gameloft Group, a leading global vendor of downloadable video games.
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.</td></tr>
<tr><td>Gender</td><td>M</td></tr>
<tr><td>Independent director</td><td>No</td></tr>
<tr><td>Year first appointed</td><td>1997</td></tr>
<tr><td>Directorship expires</td><td>2024</td></tr>
<tr><td>Number of shares held at Feb 28, 2021</td><td>1,224,574</td></tr>
<tr><td>Correspondence address</td><td>BP 2, 56204 La Gacilly Cedex</td></tr>
<tr><th colspan="2">Other offices and roles held within Guillemot Corporation Group at Dec 31, 2020</th><th colspan="2">Other offices and roles held outside Guillemot Corporation Group at Dec 31, 2020</th></tr>
<tr><td colspan="2"><u>In France</u>
Chairman, Hercules Thrustmaster SAS, Guillemot Innovation Labs SAS
<u>Outside France</u>
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)</td><td colspan="2"><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>
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 Ltd. (United Kingdom)
Director and Deputy Chief Executive Officer, Guillemot Brothers Ltd. (United Kingdom)</td></tr>
<tr><th colspan="2">Expired offices and roles within the Guillemot Corporation Group
(over the past five years)</th><th colspan="2">Expired offices and roles outside the Guillemot Corporation Group
(over the past five years)</th></tr>
<tr><td colspan="2">None.</td><td colspan="2"><u>In France</u>
Deputy Chief Executive Officer and director, Gameloft SE
<u>Outside France</u>
Director, Gameloft Divertissements Inc. (Canada), Gameloft Limited (United Kingdom), Gameloft Live Développements Inc. (Canada), Gameloft Madrid SL (Spain), Gameloft Iberica SA (Spain), Gameloft Inc. (United States)</td></tr>
</table>

** Listed on Euronext Paris.*

<table>
<tr><th colspan="4">Michel Guillemot
Director and Deputy Chief Executive Officer with responsibility for strategy</th></tr>
<tr><td>Age</td><td>62</td><td colspan="2" rowspan="7">A graduate of the EDHEC business school and holder of a DECS accounting degree, Michel Guillemot co-founded Guillemot Corporation Group (which designs and makes 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 30 years' experience in the information technology and video games industry, his entrepreneurial spirit and his 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 biggest developers of mobile games. Michel Guillemot, now based in London, also co-founded the Ubisoft Entertainment Group (which designs and sells 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.</td></tr>
<tr><td>Gender</td><td>M</td></tr>
<tr><td>Independent director</td><td>No</td></tr>
<tr><td>Year first appointed</td><td>1997</td></tr>
<tr><td>Directorship expires</td><td>2022</td></tr>
<tr><td>Number of shares held at Feb 28, 2021</td><td>1,054,059</td></tr>
<tr><td>Correspondence address</td><td>BP 2, 56204 La Gacilly Cedex</td></tr>
<tr><th colspan="3">Other offices and roles held within Guillemot Corporation Group at Dec 31, 2020</th><th>Other offices and roles held outside Guillemot Corporation Group at Dec 31, 2020</th></tr>
<tr><td colspan="3"><u>In France</u>
None.
<u>Outside France</u>
Director, Guillemot SA (Belgium), Guillemot Ltd (United Kingdom), Guillemot Inc. (United States), Guillemot Inc. (Canada)</td><td><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 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 Ltd (United Kingdom), Artificial Intelligence Research Lab Ltd (United Kingdom)
Director and Deputy Chief Executive Officer, Guillemot Brothers Ltd. (United Kingdom)</td></tr>
<tr><th colspan="3">Expired offices and roles within the Guillemot Corporation Group
(over the past five years)</th><th>Expired offices and roles outside the Guillemot Corporation Group
(over the past five years)</th></tr>
<tr><td colspan="3">None.</td><td><u>In France</u>
Chairman and Chief Executive Officer and director, Gameloft SE
Chairman, Gameloft Distribution SAS
Statutory manager, Gameloft Rich Games Production France SARL
<u>Outside France</u>
Chairman, Gameloft Srl (Romania), Gameloft Software (Beijing) Company Ltd (China), Gameloft Software (Chengdu) Company Ltd (China), Gameloft Argentina S.A. (Argentina)
Chairman and director, Gameloft Inc (United States), Gameloft Divertissements Inc (Canada), Gameloft Live Développements Inc. (Canada), Gameloft Entertainment Toronto Inc. (Canada), Gameloft Limited (United Kingdom), Gameloft KK (Japan), Gameloft Company Ltd (Vietnam), Gameloft Iberica SA (Spain), Gameloft Private India Ltd (India), Gameloft Co. Ltd. (South Korea), Gameloft Ltd (Hong Kong), Gameloft Philippines Inc. (Philippines), PT Gameloft Indonesia (Indonesia), Gameloft New Zealand Ltd (New Zealand), Gameloft Hungary Software Development and Promotion kft (Hungary), Gameloft SDN BHD (Malaysia), Gameloft FZ-LLC (United Arab Emirates), Gameloft Madrid SL (Spain), Gameloft OY (Finland), Gameloft LLC (Russia), LLC Gameloft (Bielorussia)
Statutory manager, Gameloft GmbH (Germany), Gameloft Srl (Italy), Gameloft EOOD (Bulgaria), Gameloft S. de R.L. de C.V. (Mexico)
Director, Gameloft Australia Pty Ltd (Australia)</td></tr>
</table>

** Listed on Euronext Paris.*

<table>
<tr><th colspan="4">Gérard Guillemot
Director and Deputy Chief Executive Officer with responsibility for marketing research</th></tr>
<tr><td>Age</td><td>59</td><td colspan="2" rowspan="7">After graduating from the EDHEC business school in Lille, Gérard 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. Since mid-April 2016, he has managed the Cinema division of Ubisoft (Motion Pictures). 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.
Gérard 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.
Gérard Guillemot also co-founded Guillemot Corporation Group (which designs and makes 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.</td></tr>
<tr><td>Gender</td><td>M</td></tr>
<tr><td>Independent director</td><td>No</td></tr>
<tr><td>Year first appointed</td><td>1997</td></tr>
<tr><td>Directorship expires</td><td>2022</td></tr>
<tr><td>Number of shares held at Feb 28, 2021</td><td>983,736</td></tr>
<tr><td>Correspondence address</td><td>BP 2, 56204 La Gacilly Cedex</td></tr>
<tr><th colspan="3">Other offices and roles held within Guillemot Corporation Group at Dec 31, 2020</th><th>Other offices and roles held outside Guillemot Corporation Group at Dec 31, 2020</th></tr>
<tr><td colspan="3"><u>In France</u>
None.
<u>Outside France</u>
Director, Guillemot Ltd (United Kingdom), Guillemot Inc. (United States), Guillemot Inc. (Canada)</td><td><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 Ltd. (United Kingdom)
Director and Deputy Chief Executive Officer, Guillemot Brothers Ltd. (United Kingdom)
Deputy Chairman, Dev Team LLC (United States)</td></tr>
<tr><th colspan="3">Expired offices and roles within the Guillemot Corporation Group
(over the past five years)</th><th>Expired offices and roles outside the Guillemot Corporation Group
(over the past five years)</th></tr>
<tr><td colspan="3">None.</td><td><u>In France</u>
Deputy Chief Executive Officer and director, Gameloft SE
<u>Outside France</u>
Chairman, Studios Longtail Québec Inc. (Canada)
Director, Gameloft Divertissements Inc. (Canada), Gameloft Live Développements Inc. (Canada), Gameloft Inc. (United States)</td></tr>
</table>

** Listed on Euronext Paris.*

<table>
<tr><th colspan="4">Christian Guillemot
Director and Deputy Chief Executive Officer with responsibility for administration</th></tr>
<tr><td>Age</td><td>55</td><td colspan="2" rowspan="7">After graduating from the European Business School in London, Christian Guillemot played a driving role in the IPOs of Ubisoft Entertainment (which designs and sells interactive PC and console games), Guillemot Corporation (which designs and makes 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 secretary of Longtail Studios Inc. He also runs the AMA Corporation Ltd. 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, Christian Guillemot 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.</td></tr>
<tr><td>Gender</td><td>M</td></tr>
<tr><td>Independent director</td><td>No</td></tr>
<tr><td>Year first appointed</td><td>1997</td></tr>
<tr><td>Directorship expires</td><td>2024</td></tr>
<tr><td>Number of shares held at Feb 28, 2021</td><td>773,715</td></tr>
<tr><td>Correspondence address</td><td>BP 2, 56204 La Gacilly Cedex</td></tr>
<tr><th colspan="3">Other offices and roles held within Guillemot Corporation Group at Dec 31, 2020</th><th>Other offices and roles held outside Guillemot Corporation Group at Dec 31, 2020</th></tr>
<tr><td colspan="3"><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)</td><td><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 Ltd. (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)
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)</td></tr>
<tr><th colspan="3">Expired offices and roles within the Guillemot Corporation Group
(over the past five years)</th><th>Expired offices and roles outside the Guillemot Corporation Group
(over the past five years)</th></tr>
<tr><td colspan="3">None.</td><td><u>In France</u>
Chairman, Studio AMA Bretagne SAS, SAS du Corps de Garde
Deputy Chief Executive Officer and director, Gameloft SE
<u>Outside France</u>
Chairman and director, Advanced Mobile Advertisement Inc. (United States)
Director, Gameloft Divertissements Inc. (Canada), Gameloft Live Développements Inc. (Canada), Gameloft Limited (United Kingdom), Gameloft Inc. (United States)</td></tr>
</table>

** Listed on Euronext Paris.*

<table>
<tr><th colspan="4">Marie-Hélène Lair
Director</th></tr>
<tr><td>Age</td><td>74</td><td colspan="2" rowspan="7">After completing advanced accounting studies, Marie-Hélène Lair worked until 1986 for a chartered accounting firm, where she was responsible for a portfolio of clients.
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.
From 2000 to 2004, Mrs Lair served as national production manager with the Vedior 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 Vedior France's Financial Management Committee.</td></tr>
<tr><td>Gender</td><td>F</td></tr>
<tr><td>Independent director</td><td>Yes</td></tr>
<tr><td>Year first appointed</td><td>2011</td></tr>
<tr><td>Directorship expires</td><td>2023</td></tr>
<tr><td>Number of shares held at Feb 28, 2021</td><td>1,000</td></tr>
<tr><td>Correspondence address</td><td>BP 2, 56204 La Gacilly Cedex</td></tr>
<tr><td colspan="2">Other offices and roles held within Guillemot Corporation Group at Dec 31, 2020</td><td colspan="2">Other offices and roles held outside Guillemot Corporation Group at Dec 31, 2020</td></tr>
<tr><td colspan="2">None.</td><td colspan="2">None.</td></tr>
<tr><td colspan="2">Expired offices and roles within the Guillemot Corporation Group
(over the past five years)</td><td colspan="2">Expired offices and roles outside the Guillemot Corporation Group
(over the past five years)</td></tr>
<tr><td colspan="2">None.</td><td colspan="2">None.</td></tr>
</table>

<table>
<tr><th colspan="4">Maryvonne Le Roch-Nocera
Director</th></tr>
<tr><td>Age</td><td>62</td><td colspan="2" rowspan="7">After obtaining a DECS accounting degree 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.
In 1986, she moved to Brittany to work for the family holding company, managing supermarkets and real estate companies.
From 2005 to 2007, she ran the Intermarché group's business aviation organization and established Air ITM's public transport operation.
She set up an Intermarché store in Surzur in 2007 and took over the Arzon store in 2011.
From 2006 to 2019, she was a member of the board of Fondation Le Roch – Les Mousquetaires, which she has chaired since November 2019.</td></tr>
<tr><td>Gender</td><td>F</td></tr>
<tr><td>Independent director</td><td>Yes</td></tr>
<tr><td>Year first appointed</td><td>2014</td></tr>
<tr><td>Directorship expires</td><td>2026</td></tr>
<tr><td>Number of shares held at Feb 28, 2021</td><td>100</td></tr>
<tr><td>Correspondence address</td><td>BP 2, 56204 La Gacilly Cedex</td></tr>
<tr><td colspan="2">Other offices and roles held within Guillemot Corporation Group at Dec 31, 2020</td><td colspan="2">Other offices and roles held outside Guillemot Corporation Group at Dec 31, 2020</td></tr>
<tr><td colspan="2">None.</td><td colspan="2"><u>In France</u>
Chief Executive Officer and member of the Executive Board, Vanves Distribution S.A.**
Chief Executive Officer, Rochelven SAS
Chairman, Franclem SAS, Majimer SAS, Nautimar SAS, Fondation Le Roch – Les Mousquetaires
Statutory manager, Du Lobreont SCI
<u>Outside France</u>
None.</td></tr>
<tr><td colspan="2">Expired offices and roles within the Guillemot Corporation Group
(over the past five years)</td><td colspan="2">Expired offices and roles outside the Guillemot Corporation Group
(over the past five years)</td></tr>
<tr><td colspan="2">None.</td><td colspan="2">Chairman, Rochelven SAS</td></tr>
</table>

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

<table>
<tr><th colspan="4">Corinne Le Roy
Director</th></tr>
<tr><td>Age</td><td>57</td><td colspan="2" rowspan="7">Mrs Le Roy established Ubisoft Entertainment Group's Chinese operation in 1996, serving as Chief Executive Officer of its Shanghai subsidiary until 2018. After initially overseeing video game vending, she then took responsibility for 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 both design and full 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.</td></tr>
<tr><td>Gender</td><td>F</td></tr>
<tr><td>Independent director</td><td>No</td></tr>
<tr><td>Year first appointed</td><td>2017</td></tr>
<tr><td>Directorship expires</td><td>2023</td></tr>
<tr><td>Number of shares held at Feb 28, 2021</td><td>1</td></tr>
<tr><td>Correspondence address</td><td>BP 2, 56204 La Gacilly Cedex</td></tr>
<tr><td colspan="2">Other offices and roles held within Guillemot Corporation Group at Dec 31, 2020</td><td colspan="2">Other offices and roles held outside Guillemot Corporation Group at Dec 31, 2020</td></tr>
<tr><td colspan="2">None.</td><td colspan="2"><u>In France</u>
None.
<u>Outside France</u>
Director, Shanghai Uno Network Technology Co. Ltd (China)</td></tr>
<tr><td colspan="2">Expired offices and roles within the Guillemot Corporation Group
(over the past five years)</td><td colspan="2">Expired offices and roles outside the Guillemot Corporation Group
(over the past five years)</td></tr>
<tr><td colspan="2">None.</td><td colspan="2"><u>In France</u>
None.
<u>Outside France</u>
Chief Executive Officer, Shanghai Ubi Computer Software Co. Ltd (China)</td></tr>
</table>

<table>
<tr><th colspan="3">Yves Guillemot
Deputy Chief Executive Officer with responsibility for relations with makers of video game consoles and computers(1)</th></tr>
<tr><td>Age</td><td>60</td><td rowspan="6">On completing his studies at the IPME business school, Yves Guillemot joined with his four brothers to launch out into the video games sector, then 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 computers. Yves Guillemot is also a member of the Board of Directors of Andromède S.A.S.</td></tr>
<tr><td>Gender</td><td>M</td></tr>
<tr><td>Date appointed</td><td>1997</td></tr>
<tr><td>Term of office expires</td><td>Upon expiry 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)</td></tr>
<tr><td>Number of shares held at Feb 28, 2021</td><td>814,573</td></tr>
<tr><td>Correspondence address</td><td>BP 2, 56204 La Gacilly Cedex</td></tr>
</table>

(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.

<table>
<tr><th colspan="2">Yves Guillemot (contd.)
Deputy Chief Executive Officer with responsibility for relations with makers of video game consoles and computers</th></tr>
<tr><th>Other offices and roles held within Guillemot Corporation Group at Dec 31, 2020</th><th>Expired offices and roles within the Guillemot Corporation Group
(over the past five years)</th></tr>
<tr><td><u>In France</u>
None.
<u>Outside France</u>
Director, Guillemot Ltd (United Kingdom), Guillemot Inc. (United States), Guillemot Inc. (Canada)</td><td><u>In France</u>
Director, Guillemot Corporation S.A.*
<u>Outside France</u>
None.</td></tr>
<tr><th>Other offices and roles held outside Guillemot Corporation Group at Dec 31, 2020</th><th>Expired offices and roles outside the Guillemot Corporation Group
(over the past five years)</th></tr>
<tr><td><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, Owlient 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)
Director, Playwing Ltd. (United Kingdom), AMA Corporation Ltd. (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), Performance Group BV (Netherlands), i3D.net BV (Netherlands), SmartDC Holding BV (Netherlands), SmartDC BV (Netherlands), SmartDC Heerlen BV (Netherlands), Ubisoft Srl (Romania), Ubisoft Ltd. (United Kingdom), Ubisoft Reflections Ltd. (United Kingdom), Hyper Beats Ltd. (United Kingdom), Ubisoft Singapore Pte. Ltd. (Singapore), Ubisoft Entertainment Sweden A/B (Sweden), RedLynx Oy (Finland), Future Games of London Ltd. (United Kingdom), Ubisoft Fastigheter AB (Sweden), Ubisoft DOO Beograd (Serbia)</td><td><u>In France</u>
Deputy Chief Executive Officer and director, Gameloft SE
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, Gameloft Divertissements Inc. (Canada), Gameloft Live Développements Inc. (Canada)
Statutory manager, Ubisoft Entertainment SARL (Luxembourg)</td></tr>
</table>

** 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, 2020. Maryvonne Le Roch-Nocera was reappointed as a director for a period of six years at the shareholders' general meeting of June 4, 2020;

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 Middlenext code: Marie-Hélène Lair and Maryvonne Le Roch-Nocera.

Although she meets all the independence criteria laid down in the Middlenext corporate governance code applied by the Company, Corinne Le Roy is not an independent member due to the hierarchical relationship that exists 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 applied any particular limits to 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 applied to members of the Board of Directors

21.2.3.1 Goal

The goal of the diversity policy applied 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

<u>Age</u>
The aim is for the Board to consist of directors of 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.

<u>Gender</u>
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 accounting; 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, within the current Board of Directors:

- Two members have advanced accounting 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, or 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.

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 Company's website (www.guillemot.com) under "Corporate governance", which can be accessed by clicking on "Financial and regulated information" and then "This year".

In October 2020, the directors were asked to give their opinion on the operation of the Board and the preparation of its work in 2020. 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 11 times during the fiscal year ended December 31, 2020.

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	11/11	11/11	8/11	10/11	11/11	9/11	10/11
Individual attendance rate	100%	100%	72.73%	90.91%	100%	81.82%	90.91%
Average attendance rate	90.91%						

The Board's deliberations covered the following topics:

- Presentation of consolidated annual turnover
- Procedure for assessing agreements relating to routine arm's length transactions
- Authorization of guarantees, endorsements and other collateral
- Review of impairment tests on brands shown in the Group's intangible assets at December 31, 2019
- Executive compensation policy
- Review of areas for attention set out in the Middlenext corporate governance code
- 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 fiscal year ended December 31, 2019
- Proposed appropriation of parent company income for the fiscal year ended December 31, 2019
- Review of regulated agreements entered into and authorized during prior years and remaining in force during the fiscal year ended December 31, 2019
- Resignation of Jacques Le Dorze, substitute statutory auditor
- Preparation and convening of the annual general meeting
- Delegation of authority to the Chairman of the Board of Directors in view of the Covid-19 pandemic
- Presentation of consolidated quarterly turnover
- Approval of projected management accounts as referred to 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, 2020
- Amendments to the Board of Directors' rules of procedure
- Debate on the Company's policy on gender equality and equal pay
- Self-assessment of the operation of the Board of Directors and the preparation of its work

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, 2020, 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 were handed to them during the meeting in question.

21.3.5 Specialized committees

To date, no committees have been formed by the Board of Directors, the majority of whose members do not consider it necessary to form any committees for the time being.

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. 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 of whom have particular expertise in finance or accounting and are independent within the meaning of the Middlenext 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 to the shareholders. Such recommendations are made in accordance with regulations; the committee also makes a recommendation to the Board whenever regulations call for one or more new statutory auditors to be appointed.
- 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 2020, independent director Marie-Hélène Lair chaired the meeting 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, 2020, when the financial statements for the fiscal year ended December 31, 2019 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, 2020.

Before the financial statements for the fiscal year ended December 31, 2020 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 implement 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; assistance agreements in respect of financing; 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 the nature, legal significance, financial consequences and recurrence of that 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 necessary.

21.4.2 Implementation of the assessment procedure

In March 2021, the Group's Chief Operating Office assessed agreements in relation to routine arm's length transactions undertaken during the fiscal year ended December 31, 2020 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 24, 2021.

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, 2020.

21.6 Directors' and executives' compensation

21.6.1 Compensation paid by Guillemot Corporation S.A. during the fiscal year ended December 31, 2020

In the course of the fiscal year ended December 31, 2020, the Company paid Board members a total of €99,000 in respect of their activities.

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, 2020 was €220,440.

Furthermore, in the fiscal year ended December 31, 2020, 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 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 (+98%)	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, 2020, 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 (+15.73%)	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 (-42.85%)	Chairman and CEO: €0 Deputy CEO: €0	On the basis of information included in the management report for the fiscal year ended December 31, 2020
Overall rate of achievement of 2020 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, 2020:

- 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 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 a profit-sharing 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.

<u>Any section not mentioned in the tables below is deemed not applicable.</u>

Summary schedule of compensation paid to each executive director (Figures in €)						
Claude Guillemot	**Fiscal year 2020**		**Fiscal year 2019**		**Fiscal year 2018**	
Chairman and CEO	Amounts allotted	Amounts paid	Amounts allotted	Amounts paid	Amounts allotted	Amounts paid
Fixed compensation	147,000	147,000	147,000	147,000	147,000	147,000
Annual variable compensation	47,040	0	0	38,220	38,220	58,800
Compensation in respect of duties as a director (excl. directors' fees)	15,000	15,000	15,000	15,000	15,000	15,000
O/w fixed component	*10,000*	*10,000*	*10,000*	*10,000*	*10,000*	*10,000*
O/w variable component	*5,000*	*5,000*	*5,000*	*5,000*	*5,000*	*5,000*
TOTAL	209,040	162,000	162,000	200,220	200,220	220,800
Michel Guillemot	**Fiscal year 2020**		**Fiscal year 2019**		**Fiscal year 2018**	
Deputy CEO	Amounts allotted	Amounts paid	Amounts allotted	Amounts paid	Amounts allotted	Amounts paid
Fixed compensation	18,360	18,360	18,360	18,360	18,360	18,360
Annual variable compensation	5,875.20	0	0	4,774	4,774	7,344
Compensation in respect of duties as a director (excl. directors' fees)	15,000	12,000	12,000	15,000	15,000	12,000
O/w fixed component	*10,000*	*10,000*	*10,000*	*10,000*	*10,000*	*10,000*
O/w variable component	*5,000*	*2,000*	*2,000*	*5,000*	*5,000*	*2,000*
TOTAL	39,235.20	30,360	30,360	38,134	38,134	37,704
Yves Guillemot (1)	**Fiscal year 2020**		**Fiscal year 2019**		**Fiscal year 2018**	
Deputy CEO	Amounts allotted	Amounts paid	Amounts allotted	Amounts paid	Amounts allotted	Amounts paid
Fixed compensation	18,360	18,360	18,360	18,360	18,360	18,360
Annual variable compensation	5,875.20	0	0	4,774	4,774	7,344
TOTAL	24,235.20	18,360	18,360	23,134	23,134	25,704
Gérard Guillemot	**Fiscal year 2020**		**Fiscal year 2019**		**Fiscal year 2018**	
Deputy CEO	Amounts allotted	Amounts paid	Amounts allotted	Amounts paid	Amounts allotted	Amounts paid
Fixed compensation	18,360	18,360	18,360	18,360	18,360	18,360
Annual variable compensation	5,875.20	0	0	4,774	4,774	7,344
Compensation in respect of duties as a director (excl. directors' fees)	12,000	15,000	15,000	12,000	12,000	10,000
O/w fixed component	*10,000*	*10,000*	*10,000*	*10,000*	*10,000*	*10,000*
O/w variable component	*2,000*	*5,000*	*5,000*	*2,000*	*2,000*	*0*
TOTAL	36,235.20	33,360	33,360	35,134	35,134	35,704
Christian Guillemot	**Fiscal year 2020**		**Fiscal year 2019**		**Fiscal year 2018**	
Deputy CEO	Amounts allotted	Amounts paid	Amounts allotted	Amounts paid	Amounts allotted	Amounts paid
Fixed compensation	18,360	18,360	18,360	18,360	18,360	18,360
Annual variable compensation	5,875.20	0	0	4,774	4,774	7,344
Compensation in respect of duties as a director (excl. directors' fees)	15,000	15,000	15,000	15,000	15,000	15,000
O/w fixed component	*10,000*	*10,000*	*10,000*	*10,000*	*10,000*	*10,000*
O/w variable component	*5,000*	*5,000*	*5,000*	*5,000*	*5,000*	*5,000*
TOTAL	39,235.20	33,360	33,360	38,134	38,134	40,704
GRAND TOTAL	**347,980.80**	**277,440**	**277,440**	**334,754**	**334,754**	**360,616**

(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.*

Summary schedule of allowances and benefits granted to executive directors					
Executive director		**Employment contract**		**Supplementary pension plan**	
		YES	NO	YES	NO
Claude Guillemot **Chairman and CEO**	Year appointed: 1997 Term of office expires: 2024		X		X
Michel Guillemot **Deputy CEO**	Year appointed: 1997 Term of office expires: 2022		X		X
Yves Guillemot **Deputy CEO**	Year appointed: 1997 Term of office expires: 2024		X		X
Gérard Guillemot **Deputy CEO**	Year appointed: 1997 Term of office expires: 2022		X		X
Christian Guillemot **Deputy CEO**	Year appointed: 1997 Term of office expires: 2024		X		X

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

Schedule of compensation received by non-executive directors (Figures in €)						
Marie-Hélène Lair	**Fiscal year 2020**		**Fiscal year 2019**		**Fiscal year 2018**	
Director	Amounts allotted	Amounts paid	Amounts allotted	Amounts paid	Amounts allotted	Amounts paid
Compensation (excl. directors' fees)	15,000	15,000	15,000	15,000	15,000	15,000
O/w fixed component	*10,000*	*10,000*	*10,000*	*10,000*	*10,000*	*10,000*
O/w variable component	*5,000*	*5,000*	*5,000*	*5,000*	*5,000*	*5,000*
TOTAL	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**
Maryvonne Le Roch-Nocera	**Fiscal year 2020**		**Fiscal year 2019**		**Fiscal year 2018**	
Director	Amounts allotted	Amounts paid	Amounts allotted	Amounts paid	Amounts allotted	Amounts paid
Compensation (excl. directors' fees)	15,000	12,000	12,000	12,000	12,000	12,000
O/w fixed component	*10,000*	*10,000*	*10,000*	*10,000*	*10,000*	*10,000*
O/w variable component	*5,000*	*2,000*	*2,000*	*2,000*	*2,000*	*2,000*
TOTAL	**15,000**	**12,000**	**12,000**	**12,000**	**12,000**	**12,000**
Corinne Le Roy	**Fiscal year 2020**		**Fiscal year 2019**		**Fiscal year 2018**	
Director	Amounts allotted	Amounts paid	Amounts allotted	Amounts paid	Amounts allotted	Amounts paid
Compensation (excl. directors' fees)	15,000	15,000	15,000	12,000	12,000	15,000
O/w fixed component	*10,000*	*10,000*	*10,000*	*10,000*	*10,000*	*10,000*
O/w variable component	*5,000*	*5,000*	*5,000*	*2,000*	*2,000*	*5,000*
TOTAL	**15,000**	**15,000**	**15,000**	**12,000**	**12,000**	**15,000**

21.6.2 Components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2020 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 May 27, 2021)

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, 2020 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 June 4, 2020.

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

<table>
<tr><th></th><th>Amount (€)</th><th>Comments</th></tr>
<tr><td>Gross annual fixed compensation</td><td>147,000</td><td>Compensation set by the Board of Directors on May 24, 2018 and unchanged since 2012</td></tr>
<tr><td>Annual variable compensation

(Details of how performance criteria are assessed are set out in section 21.6.1 of this report.)</td><td>47,040</td><td>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><th>Quantitative criteria</th><th>% of variable</th><th>Target</th><th>Maxi-mum</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></td></tr>
<tr><td>Compensation in respect of duties as a director*
(excl. directors' fees)</td><td>15,000</td><td>Breakdown agreed by the Board of Directors on August 26, 2011 and unchanged since:
• Fixed component of €10,000 paid half in January (in respect of the period January-June) and half in July (in respect of 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</td></tr>
<tr><td>Multi-year variable compensation</td><td>None.</td><td rowspan="7">The compensation policy submitted to and approved by the shareholders at the shareholders' general meeting of June 4, 2020 does not include these types of components of compensation.</td></tr>
<tr><td>Stock options</td><td>None.</td></tr>
<tr><td>Free share awards</td><td>None.</td></tr>
<tr><td>Exceptional compensation</td><td>None.</td></tr>
<tr><td>Compensation, allowances or benefits that are or may become due as a result of taking up office</td><td>None.</td></tr>
<tr><td>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</td><td>None.</td></tr>
<tr><td>Benefits in kind</td><td>None.</td></tr>
</table>

* Attendance rates are set out in section 21.3.2.

- Michel Guillemot, Deputy CEO (Resolution 6)

<table>
<tr><th></th><th>Amount (€)</th><th>Comments</th></tr>
<tr><td>Gross annual fixed compensation</td><td>18,360</td><td>Compensation set by the Board of Directors on May 24, 2018 and unchanged since 2012</td></tr>
<tr><td>Annual variable compensation

(Details of how performance criteria are assessed are set out in section 21.6.1 of this report.)</td><td>5,875.20</td><td>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><th>Quantitative criteria</th><th>% of variable</th><th>Target</th><th>Maxi-mum</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></td></tr>
<tr><td>Compensation in respect of duties as a director*
(excl. directors' fees)</td><td>15,000</td><td>Breakdown agreed by the Board of Directors on August 26, 2011 and unchanged since:
• Fixed component of €10,000 paid half in January (in respect of the period January-June) and half in July (in respect of 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</td></tr>
<tr><td>Multi-year variable compensation</td><td>None.</td><td rowspan="7">The compensation policy submitted to and approved by the shareholders at the shareholders' general meeting of June 4, 2020 does not include these types of components of compensation.</td></tr>
<tr><td>Stock options</td><td>None.</td></tr>
<tr><td>Free share awards</td><td>None.</td></tr>
<tr><td>Exceptional compensation</td><td>None.</td></tr>
<tr><td>Compensation, allowances or benefits that are or may become due as a result of taking up office</td><td>None.</td></tr>
<tr><td>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</td><td>None.</td></tr>
<tr><td>Benefits in kind</td><td>None.</td></tr>
</table>

* Attendance rates are set out in section 21.3.2.

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

<table>
<tr><th></th><th>Amount (€)</th><th>Comments</th></tr>
<tr><td>Gross annual fixed compensation</td><td>18,360</td><td>Compensation set by the Board of Directors on May 24, 2018 and unchanged since 2012</td></tr>
<tr><td>Annual variable compensation

(Details of how performance criteria are assessed are set out in section 21.6.1 of this report.)</td><td>5,875.20</td><td>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><th>Quantitative criteria</th><th>% of variable</th><th>Target</th><th>Maxi-mum</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></td></tr>
<tr><td>Compensation in respect of duties as a director (excl. directors' fees)</td><td>None.</td><td>Yves Guillemot is not a member of the Board of Directors.</td></tr>
<tr><td>Multi-year variable compensation</td><td>None.</td><td rowspan="7">The compensation policy submitted to and approved by the shareholders at the shareholders' general meeting of June 4, 2020 does not include these types of components of compensation.</td></tr>
<tr><td>Stock options</td><td>None.</td></tr>
<tr><td>Free share awards</td><td>None.</td></tr>
<tr><td>Exceptional compensation</td><td>None.</td></tr>
<tr><td>Compensation, allowances or benefits that are or may become due as a result of taking up office</td><td>None.</td></tr>
<tr><td>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</td><td>None.</td></tr>
<tr><td>Benefits in kind</td><td>None.</td></tr>
</table>

- <u>Gérard Guillemot, Deputy CEO (Resolution 8)</u>

<table>
<tr><th></th><th>Amount (€)</th><th>Comments</th></tr>
<tr><td>Gross annual fixed compensation</td><td>18,360</td><td>Compensation set by the Board of Directors on May 24, 2018 and unchanged since 2012</td></tr>
<tr><td>Annual variable compensation

(Details of how performance criteria are assessed are set out in section 21.6.1 of this report.)</td><td>5,875.20</td><td>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><th>Quantitative criteria</th><th>% of variable</th><th>Target</th><th>Maxi-mum</th></tr>
<tr><td>Growth in consolidated turnover</td><td>20%</td><td>5%</td><td>10%</td></tr>
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</table></td></tr>
<tr><td>Compensation in respect of duties as a director*
(excl. directors' fees)</td><td>12,000</td><td>Breakdown agreed by the Board of Directors on August 26, 2011 and unchanged since:
• Fixed component of €10,000 paid half in January (in respect of the period January-June) and half in July (in respect of 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</td></tr>
<tr><td>Multi-year variable compensation</td><td>None.</td><td rowspan="7">The compensation policy submitted to and approved by the shareholders at the shareholders' general meeting of June 4, 2020 does not include these types of components of compensation.</td></tr>
<tr><td>Stock options</td><td>None.</td></tr>
<tr><td>Free share awards</td><td>None.</td></tr>
<tr><td>Exceptional compensation</td><td>None.</td></tr>
<tr><td>Compensation, allowances or benefits that are or may become due as a result of taking up office</td><td>None.</td></tr>
<tr><td>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</td><td>None.</td></tr>
<tr><td>Benefits in kind</td><td>None.</td></tr>
</table>

* Attendance rates are set out in section 21.3.2.

▪ Christian Guillemot, Deputy CEO (Resolution 9)

<table>
<tr><th></th><th>Amount (€)</th><th>Comments</th></tr>
<tr><td>Gross annual fixed compensation</td><td>18,360</td><td>Compensation set by the Board of Directors on May 24, 2018 and unchanged since 2012</td></tr>
<tr><td>Annual variable compensation

(Details of how performance criteria are assessed are set out in section 21.6.1 of this report.)</td><td>5,875.20</td><td>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><th>Quantitative criteria</th><th>% of variable</th><th>Targe t</th><th>Maxi-mum</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></td></tr>
<tr><td>Compensation in respect of duties as a director*
(excl. directors' fees)</td><td>15,000</td><td>Breakdown agreed by the Board of Directors on August 26, 2011 and unchanged since:
• Fixed component of €10,000 paid half in January (in respect of the period January-June) and half in July (in respect of 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</td></tr>
<tr><td>Multi-year variable compensation</td><td>None.</td><td rowspan="7">The compensation policy submitted to and approved by the shareholders at the shareholders' general meeting of June 4, 2020 does not include these types of components of compensation.</td></tr>
<tr><td>Stock options</td><td>None.</td></tr>
<tr><td>Free share awards</td><td>None.</td></tr>
<tr><td>Exceptional compensation</td><td>None.</td></tr>
<tr><td>Compensation, allowances or benefits that are or may become due as a result of taking up office</td><td>None.</td></tr>
<tr><td>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</td><td>None.</td></tr>
<tr><td>Benefits in kind</td><td>None.</td></tr>
</table>

* 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 May 27, 2021)

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

<table>
<tr><td rowspan="11">1.</td><td colspan="3">Components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2020 (by virtue of the office held)</td></tr>
<tr><td></td><td>Amount (€)</td><td>Comments</td></tr>
<tr><td>Gross annual fixed compensation</td><td>147,000</td><td>Compensation set by the Board of Directors on May 24, 2018 and unchanged since 2012</td></tr>
<tr><td>Annual variable compensation

(Details of how performance criteria are assessed are set out in section 21.6.1 of this report.)</td><td>47,040</td><td>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><th>Quantitative criteria</th><th>% of variable</th><th>Targe t</th><th>Maxi-mum</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></td></tr>
<tr><td>Compensation in respect of duties as a director*
(excl. directors' fees)</td><td>15,000</td><td>Breakdown agreed by the Board of Directors on August 26, 2011 and unchanged since:
• Fixed component of €10,000 paid half in January (in respect of the period January-June) and half in July (in respect of 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</td></tr>
<tr><td>Other variable compensation</td><td>None.</td><td rowspan="6">The compensation policy submitted to and approved by the shareholders at the shareholders' general meeting of June 4, 2020 does not include these types of components of compensation.</td></tr>
<tr><td>Exceptional compensation</td><td>None.</td></tr>
<tr><td>Stock options</td><td>None.</td></tr>
<tr><td>Free share awards</td><td>None.</td></tr>
<tr><td>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</td><td>None.</td></tr>
<tr><td>Benefits in kind</td><td>None.</td></tr>
</table>

* 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, 2020
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 this regard	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 are set out 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 June 4, 2020, 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 laid down 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 June 4, 2020.
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, 2020, 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 over 40% over the course of the year.

Michel Guillemot, Deputy Chief Executive Officer and director

<table>
<tr><td rowspan="11">1.</td><td colspan="3">Components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2020 (by virtue of the office held)</td></tr>
<tr><td></td><td>Amount (€)</td><td>Comments</td></tr>
<tr><td>Gross annual fixed compensation</td><td>18,360</td><td>Compensation set by the Board of Directors on May 24, 2018 and unchanged since 2012</td></tr>
<tr><td>Annual variable compensation

(Details of how performance criteria are assessed are set out in section 21.6.1 of this report.)</td><td>5,875.20</td><td>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><th>Quantitative criteria</th><th>% of variable</th><th>Target</th><th>Maxi-mum</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></td></tr>
<tr><td>Compensation in respect of duties as a director*
(excl. directors' fees)</td><td>15,000</td><td>Breakdown agreed by the Board of Directors on August 26, 2011 and unchanged since:
• Fixed component of €10,000 paid half in January (in respect of the period January-June) and half in July (in respect of 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</td></tr>
<tr><td>Other variable compensation</td><td>None.</td><td rowspan="6">The compensation policy submitted to and approved by the shareholders at the shareholders' general meeting of June 4, 2020 does not include these types of components of compensation.</td></tr>
<tr><td>Exceptional compensation</td><td>None.</td></tr>
<tr><td>Stock options</td><td>None.</td></tr>
<tr><td>Free share awards</td><td>None.</td></tr>
<tr><td>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</td><td>None.</td></tr>
<tr><td>Benefits in kind</td><td>None.</td></tr>
</table>

* 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, 2020
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 this regard	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 are set out 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 June 4, 2020, 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 laid down 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 June 4, 2020.
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, 2020, 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 over 40% over the course of the year.

Yves Guillemot, Deputy Chief Executive Officer

<table>
<tr><td rowspan="12">1.</td><td colspan="3">Components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2020 (by virtue of the office held)</td></tr>
<tr><td></td><td>Amount (€)</td><td>Comments</td></tr>
<tr><td>Gross annual fixed compensation</td><td>18,360</td><td>Compensation set by the Board of Directors on May 24, 2018 and unchanged since 2012</td></tr>
<tr><td>Annual variable compensation

(Details of how performance criteria are assessed are set out in section 21.6.1 of this report.)</td><td>5,875.20</td><td>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><th>Quantitative criteria</th><th>% of variable</th><th>Targe t</th><th>Maxi-mum</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></td></tr>
<tr><td>Compensation in respect of duties as a director (excl. directors' fees)</td><td>None.</td><td>Yves Guillemot is not a member of the Board of Directors.</td></tr>
<tr><td>Other variable compensation</td><td>None.</td><td rowspan="6">The compensation policy submitted to and approved by the shareholders at the shareholders' general meeting of June 4, 2020 does not include these types of components of compensation.</td></tr>
<tr><td>Exceptional compensation</td><td>None.</td></tr>
<tr><td>Stock options</td><td>None.</td></tr>
<tr><td>Free share awards</td><td>None.</td></tr>
<tr><td>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</td><td>None.</td></tr>
<tr><td>Benefits in kind</td><td>None.</td></tr>
</table>

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, 2020
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 this regard	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 are set out 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 June 4, 2020, 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 laid down 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 June 4, 2020.
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, 2020, 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 over 40% over the course of the year.

Gérard Guillemot, Deputy Chief Executive Officer and director

<table>
<tr><td rowspan="11">1.</td><td colspan="3">Components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2020 (by virtue of the office held)</td></tr>
<tr><td></td><td>Amount (€)</td><td>Comments</td></tr>
<tr><td>Gross annual fixed compensation</td><td>18,360</td><td>Compensation set by the Board of Directors on May 24, 2018 and unchanged since 2012</td></tr>
<tr><td>Annual variable compensation

(Details of how performance criteria are assessed are set out in section 21.6.1 of this report.)</td><td>5,875.20</td><td>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><th>Quantitative criteria</th><th>% of variable</th><th>Targe t</th><th>Maxi- mum</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></td></tr>
<tr><td>Compensation in respect of duties as a director*
(excl. directors' fees)</td><td>12,000</td><td>Breakdown agreed by the Board of Directors on August 26, 2011 and unchanged since:
• Fixed component of €10,000 paid half in January (in respect of the period January-June) and half in July (in respect of 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</td></tr>
<tr><td>Other variable compensation</td><td>None.</td><td rowspan="6">The compensation policy submitted to and approved by the shareholders at the shareholders' general meeting of June 4, 2020 does not include these types of components of compensation.</td></tr>
<tr><td>Exceptional compensation</td><td>None.</td></tr>
<tr><td>Stock options</td><td>None.</td></tr>
<tr><td>Free share awards</td><td>None.</td></tr>
<tr><td>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</td><td>None.</td></tr>
<tr><td>Benefits in kind</td><td>None.</td></tr>
</table>

* 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	In respect of duties as Deputy CEO: Fixed compensation: 75.76% Variable compensation: 24.24% In respect of duties as a director: Fixed compensation: 83.33% Variable compensation: 16.67%
3.	Use of the option to claw back variable compensation	N/A during the fiscal year ended December 31, 2020
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 this regard	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 are set out 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 June 4, 2020, 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 laid down 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 June 4, 2020.
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, 2020, 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 over 40% over the course of the year.

Christian Guillemot, Deputy Chief Executive Officer and director

<table>
<tr><td rowspan="11">1.</td><td colspan="3">Components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2020 (by virtue of the office held)</td></tr>
<tr><td></td><td>Amount (€)</td><td>Comments</td></tr>
<tr><td>Gross annual fixed compensation</td><td>18,360</td><td>Compensation set by the Board of Directors on May 24, 2018 and unchanged since 2012</td></tr>
<tr><td>Annual variable compensation

(Details of how performance criteria are assessed are set out in section 21.6.1 of this report.)</td><td>5,875.20</td><td>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><th>Quantitative criteria</th><th>% of variable</th><th>Targe t</th><th>Maxi-mum</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></td></tr>
<tr><td>Compensation in respect of duties as a director*
(excl. directors' fees)</td><td>15,000</td><td>Breakdown agreed by the Board of Directors on August 26, 2011 and unchanged since:
• Fixed component of €10,000 paid half in January (in respect of the period January-June) and half in July (in respect of 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</td></tr>
<tr><td>Other variable compensation</td><td>None.</td><td rowspan="6">The compensation policy submitted to and approved by the shareholders at the shareholders' general meeting of June 4, 2020 does not include these types of components of compensation.</td></tr>
<tr><td>Exceptional compensation</td><td>None.</td></tr>
<tr><td>Stock options</td><td>None.</td></tr>
<tr><td>Free share awards</td><td>None.</td></tr>
<tr><td>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</td><td>None.</td></tr>
<tr><td>Benefits in kind</td><td>None.</td></tr>
</table>

* 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	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, 2020
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 this regard	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 are set out 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 June 4, 2020, 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 laid down 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 June 4, 2020.
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, 2020, 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 over 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, 2020 (by virtue of the office held)		
		Amount (€)	**Comments**
	Compensation in respect of duties as a director* (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 (in respect of the period January-June) and half in July (in respect of 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
	Gross annual fixed compensation	N/A	The compensation policy submitted to and approved by the shareholders at the shareholders' general meeting of June 4, 2020 does not include these types of components of compensation.
	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, 2020
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 this regard	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 June 4, 2020, 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 laid down 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 June 4, 2020.
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, 2020, 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 over 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, 2020 (by virtue of the office held)		
		Amount (€)	**Comments**
	Compensation in respect of duties as a director* (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 (in respect of the period January-June) and half in July (in respect of 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
	Gross annual fixed compensation	N/A	The compensation policy submitted to and approved by the shareholders at the shareholders' general meeting of June 4, 2020 does not include these types of components of compensation.
	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.

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, 2020
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 this regard	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 June 4, 2020, 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 laid down 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 June 4, 2020.
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, 2020, 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 over 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, 2020 (by virtue of the office held)		
		Amount (€)	**Comments**
	Compensation in respect of duties as a director* (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 (in respect of the period January-June) and half in July (in respect of 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
	Gross annual fixed compensation	N/A	The compensation policy submitted to and approved by the shareholders at the shareholders' general meeting of June 4, 2020 does not include these types of components of compensation.
	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.

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, 2020
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 this regard	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 June 4, 2020, 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 laid down 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 June 4, 2020.
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, 2020, 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 over 40% over the course of the year.

21.6.4 Executive compensation policy subject to approval at a shareholders' general meeting (via an ex ante vote)

(Resolution 11 submitted for approval at the shareholders' general meeting of May 27, 2021)

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 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 employees of the Group.

In establishing this policy, the Board of Directors is mindful of the recommendations laid down in the Middlenext 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 proportionate to the Company’s position while being mindful of 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 one of its Deputy CEOs, the interested parties are not involved 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, which is over and above that allotted in respect of his or her 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 continuing its 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 the 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 continuing its 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 the 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, 2020
May 23, 2019	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 22, 2021	None.
May 23, 2019	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	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 22, 2021	None.
May 23, 2019	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 second 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 22, 2021	None.
May 23, 2019	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 referred to in the second 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 22, 2021	None.
May 23, 2019	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 22, 2021	None.
May 23, 2019	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 22, 2021	None.
May 23, 2019	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 22, 2021	None.

Date power granted	Purpose of power	Maximum amount (1)	Duration of power	Use during fiscal year ended Dec 31, 2020
May 23, 2019	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 22, 2022	None.
May 23, 2019	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 22, 2022	None.

(1) At the general meeting of May 23, 2019, 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 2020.

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 include all shareholders of Guillemot Corporation other than the Company itself. They are convened and held under the conditions laid down in applicable legislation and regulations."
"All shareholders have the right, upon proving their identity, to participate in shareholders' general meetings, whether by attending them in person, submitting a completed postal ballot form or appointing a proxy.
The right to participate in shareholders' general meetings is justified 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 is evidenced by a shareholding certification issued by the latter."

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 June 4, 2020 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, 2020, are set out in section 12.1.5.1 of the Management Report.

21.10.8 Agreements providing for allowances for members of the Board of Directors or employees

There are no agreements in place under which allowances might be payable to members of the Board of Directors or employees if they resign or are dismissed without real and serious cause or if their employment is terminated as a result of a public offer for the Company's shares.

Rennes, March 24, 2021

The Board of Directors

➢ CONSOLIDATED FINANCIAL STATEMENTS TO DECEMBER 31, 2020

All figures are in thousands of euros (€k).

1. CONSOLIDATED BALANCE SHEET

ASSETS (€k)	Notes	Dec 31, 2020	Dec 31, 2019
Goodwill on acquisitions	5.7.1	0	0
Intangible assets	5.7.2	15,425	11,401
Property, plant and equipment	5.7.3	4,499	4,598
Financial assets	5.7.4	447	268
Tax assets	5.7.9	404	880
Deferred tax assets	5.7.15	3,489	1,149
Non-current assets		**24,264**	**18,296**
Inventories	5.7.5	20,611	21,390
Trade receivables	5.7.6	28,245	19,579
Other receivables	5.7.7	3,887	1,644
Financial assets	5.7.4	34,995	27,334
Current tax assets	5.7.9	142	955
Cash and cash equivalents	5.7.8	29,024	5,851
Current assets		**116,904**	**76,753**
Total assets		**141,168**	**95,049**

LIABILITIES AND EQUITY (€k)	Notes	Dec 31, 2020	Dec 31, 2019
Capital (1)		11,771	11,771
Premiums (1)		10,551	10,551
Reserves and consolidated income (2)		57,352	27,440
Currency translation adjustments		35	580
Group shareholders' equity	5.7.10	79,709	50,342
Minority interests		0	0
Consolidated shareholders' equity		**79,709**	**50,342**
Employee benefit liabilities	5.7.12	1,383	1,208
Borrowings	5.7.13	6,020	8,007
Other liabilities	5.7.14	0	0
Deferred tax liabilities	5.7.15	0	0
Non-current liabilities		**7,403**	**9,215**
Trade payables		31,007	16,409
Short-term borrowings	5.7.13	4,853	8,027
Taxes payable		3,470	427
Other liabilities	5.7.14	14,676	10,587
Provisions	5.7.11	50	42
Current liabilities		**54,056**	**35,492**
Total liabilities and equity		**141,168**	**95,049**

(1) Of the consolidating parent company.
(2) Of which net income for the period: €29,781k.

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 profit or loss

(€k)	Notes	Dec 31, 2020	Dec 31, 2019
Net turnover	5.6	**120,619**	**60,875**
Purchases	5.8.1	-59,656	-28,782
External expenses	5.8.1	-17,554	-13,150
Employee expenses	5.8.1	-11,000	-9,777
Taxes and duties		-779	-346
Additions to amortization and depreciation	5.8.2	-3,616	-3,424
Additions to provisions	5.8.2	-3,488	-1,140
Change in inventories	5.8.3	1,849	-3,198
Other income from ordinary activities	5.8.4	254	397
Other expenses from ordinary activities	5.8.4	-7,659	-4,045
Net income from ordinary activities		**18,970**	**-2,590**
Other operating income	5.8.5	4,110	0
Other operating expenses	5.8.5	0	0
Net operating income		**23,080**	**-2,590**
Income from cash and cash equivalents		8	16
Cost of gross financial debt		137	391
Cost of net financial debt	5.8.6	**-129**	**-375**
Other financial income	5.8.6	7,661	0
Other financial expenses	5.8.6	-132	-4,262
Corporate income tax	5.8.7	-699	813
Net income before minority interests		**29,781**	**-6,414**
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		**29,781**	**-6,414**
Basic earnings per share	5.8.9	1.95	-0.42
Diluted earnings per share	5.8.9	1.95	-0.42

- Statement of comprehensive income

(€k)	Dec 31, 2020	Dec 31, 2019
Net income attributable to equity holders of the parent	**29,781**	**-6,414**
Recyclable items of other comprehensive income		
Currency translation adjustments	-545	524
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	-98	44
Share of other comprehensive income of equity-accounted companies	0	0
Total other comprehensive income attributable to controlling interests	**-643**	**568**
Net income and other comprehensive income attributable to controlling interests	29,138	-5,846
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, 2019		**11,771**	**10,551**	**23,736**	**12,151**	**56**	**58,265**
Comprehensive income to Dec 31, 2019	5.8				-6,414	524	-5,890
Appropriated income at Dec 31, 2018				12,151	-12,151		0
Stock options	5.7.10						0
Reductions in share capital – treasury shares							0
Shares of the consolidating company	5.7.10			-53			-53
Gains and losses on treasury shares	5.7.10			-50			-50
Dividends				-1980			-1,980
Other	5.7.12			50			50
Position at Dec 31, 2019		**11,771**	**10,551**	**33,854**	**-6,414**	**580**	**50,342**
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
Other	5.7.12			-101			-101
Position at Dec 31, 2020		**11,771**	**10,551**	**27,571**	**29,781**	**35**	**79,709**

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

(€k)	Notes	: 31, 2020	: 31, 2019
Cash flows from operating activities			
Net income from consolidated companies		29,781	-6,414
+ Additions to amortization, depreciation and provisions (except on current assets)	5.8.2	4,802	3,968
- Reversals of amortization, depreciation and provisions		-4,130	0
-/+ Unrealized gains and losses arising from changes in fair value	5.8.6	-7,661	3,950
+/- Expenses and income arising from stock options	5.7.10	0	0
-/+ Capital gains and losses on disposals	5.7.4	0	-3
Change in deferred taxes	5.8.7	-2,339	-275
Operating cash flow after cost of net financial debt		**20,453**	**1,226**
Cost of net financial debt	5.8.6	129	375
Operating cash flow before cost of net financial debt		**20,582**	**1,601**
Currency translation adjustment on gross cash flow from operations		-34	-13
Inventories	5.7.5	779	3,535
Trade receivables	5.7.6	-8,665	4,200
Trade payables		14,599	-2,473
Other		4,852	-1,320
Change in working capital requirement		**11,565**	**3,942**
Net cash flows from operating activities		**31,984**	**5,155**
Cash flows from investing activities			
Acquisitions of intangible assets	5.7.2	-2,322	-2,345
Acquisitions of property, plant and equipment	5.7.3	-1,226	-702
Disposals of property, plant and equipment and intangible assets	5.7.3	23	5
Acquisitions of non-current financial assets	5.7.4	-3	-7
Disposals of non-current financial assets	5.7.4	52	32
Net cash from acquisitions and disposals of subsidiaries		0	0
Net cash flows from investing activities		**-3,476**	**-3,017**
Cash flows from financing activities			
Increases in capital and cash injections	5.7.10	0	0
Dividends paid		0	-1,980
Borrowings	5.7.13	359	11,000
Repayment of shareholders' current accounts	5.7.14	0	0
Repayment of borrowings	5.7.13	-3,979	-4,326
Principal repayments and interest on lease liabilities (IFRS 16)		-174	-441
Other cash flows from financing activities		0	0
Total cash flows from financing activities		**-3,794**	**4,253**
Impact of foreign currency translation adjustments		**-178**	**91**
Change in cash		**24,536**	**6,482**
Net cash at the beginning of the period	5.7.8 and 5.7.1	4,477	-2,005
Net cash at the end of the period	5.7.8 and 5.7.1	29,013	4,477

The notes to the financial statements set out in section 5 form an integral part of the consolidated financial statements.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5.1 General information

The financial statements were signed off by the Board of Directors on March 24, 2021.

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 11 countries including France, Germany, the United Kingdom, the United States, Canada, Spain, the Netherlands, Italy, Belgium, China, Hong Kong and Romania and distributes its products in over 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, 35 571 Chantepie Cedex, France.

5.2 Significant events in fiscal year 2020

The Group posted strong growth in the year, with full-year turnover up 98% at €120.6 million.

The Group generated net income from ordinary activities of €19.0 million, net operating income of €23.1 million consolidated net income of €29.8 million.

The global Covid-19 pandemic meant 2020 was an unusual year for the Group, affecting the market in unprecedented ways. Consumers played more video games over the period and opted to expand their ecosystem of accessories.

In the fourth quarter of 2020, the pace of growth at Thrustmaster quickened to 196%, buoyed by successful sales of the brand's Airbus flying accessories and strong momentum in the racing and gamepad segments.

With sales up 65% in the fourth quarter, Hercules maintained a similar level of growth to previous quarters.

The Group stepped up production significantly to meet demand throughout the year.

The Group posted very strong sales growth across all regions, with sales reaching record levels in the United States, Germany, Poland, Australia and China. On the back of this strong momentum, the Group ramped up its strategy of forging new direct partnerships with major e-tailers (Box UK; Amazon in Japan, Saudi Arabia and the UAE; Cdiscount; etc.).

Thrustmaster

- **Flying/joysticks**: new products in the Airbus range released in the fourth quarter, such as the *TCA Officer Pack Airbus Edition* and the *Quadrant Add-on*, contributed to very strong full-year sales performance.

  The *Thrustmaster TCA Quadrant Add-on Airbus Edition* comes with 15 headline functions inspired by the flight decks of Airbus aircraft. It promises an immersive gaming experience, with realistic buttons and releases specially designed to control approach and landing sequences.

- **Racing wheels**: Thrustmaster supported its official drivers in more eSports competitions and boosted the benefits of using the brand's accessories. Thanks to its comprehensive ecosystem of racing wheels, pedal sets, gear sticks and handbrakes, the racing range maintained the brand's appeal and momentum in this segment, with new bundles released for specific racing specialties (Formula 1, rallying, GT, etc.).

- **Gamepads**: buoyed by the success of the first *ESWAP PRO CONTROLLER* launched a year ago, at the end of December Thrustmaster launched the *ESWAP X PRO CONTROLLER*, officially licensed for Xbox Series X|S and Xbox One. On January 17, 2021, French website Clubic described it as "a big hit" and the "Rolls-Royce of wired gamepads". UK website KeenGamer, which attracts over 770,000 visitors a month, gave the *ESWAP X PRO CONTROLLER* a score of 9.4 out of 10 and said it "combines the best of all controller options in one package".

Hercules

Following a strong third quarter, Hercules continued to grow thanks to successful sales of its Inpulse controllers, including the *Hercules DJControl Inpulse 500* launched in July. Partner promotions and dedicated bundles captured the attention of future DJs. New content was added to the *Hercules DJ Academy* to meet the community's demand for more advanced content, with the *Hercules DJControl Inpulse* range positioned as the simple but effective way to learn the art of DJing.

Impact of Covid-19

Formula 1 and endurance racing have both taken to the virtual world of PC and console racing, fueling increased interest in eSports. Together with stay-at-home orders, this has put the spotlight on video games and generated demand for specialist accessories to enhance performance. The Group has further stepped up production since last summer to meet demand.

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 2020 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, 2020:

• Amendment, changes to references to the Conceptual Framework in IFRS Standards
• Amendments to IAS 1 and IAS 8: definition of materiality
• Amendments to IFRS 3: definition of a business
• Amendments to IFSR 9, IAS 39 and IFRS 7: interest rate benchmark reform

These standards, amendments to existing standards, and interpretations have no material impact on the Group's financial statements.

For fiscal year 2020, the Group did not decide to adopt any standard, interpretation or amendment early. The following published standards, interpretations and amendments whose adoption is mandatory after January 1, 2020 may have an impact on the Group's financial statements:

• Amendments to IAS 1: "Classification of Liabilities as Current or Non-current" and "Classification of Liabilities as Current or Non-current – Deferral of Effective Date"
• Amendments to IFRS 3: "Reference to the Conceptual Framework"
• Amendments to IAS 16: "Property, Plant and Equipment – Proceeds before Intended Use"
• Amendments to IAS 37: "Onerous Contracts – Cost of Fulfilling a Contract"
• Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: "Interest Rate Benchmark Reform – Phase 2"
• "Annual improvements to IFRS Standards 2018-2020

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 equity investments. 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. The going concern value 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. This is the method used to measure the Group's brands.

Goodwill on acquisitions

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)

Assets' 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 going concern value.

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. The going concern value 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 assets 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 the balance sheet value is lower than purchase cost and there is an objective indicator of impairment, an impairment loss is recognized.
- Financial assets at amortized cost. These assets consist of instruments whose contractual cash flows represent interest and capital repayments, held for the purposes of collecting cash flows. They 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 duration for 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, 2020 and December 31, 2019 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 tests are 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 covering, in particular, 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 that have been 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. This means the amount of the provision can potentially increase each year.
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.

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. The first ten stock option plans have all lapsed.

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, 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 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 requiring 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. (b)		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%. (b) The Guillemot Ltd. subsidiary is exempt from the statutory audit requirement.

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, 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: steering wheels, gamepads, joysticks and gaming headsets.

- Turnover by business segment (€m)

Turnover generated by:	Dec 31, 2020	Dec 31, 2019
Hercules	**8.0**	**4.7**
Digital devices	7.2	4.1
OEM*	0.8	0.6
Thrustmaster	**112.6**	**56.2**
Gaming accessories	112.6	56.2
OEM*	0.0	0.0
TOTAL	**120.6**	**60.9**

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

- Income statement by business segment (€k)

	Dec 31, 2020			Dec 31, 2019		
	Total	Hercules	Thrustmaster	Total	Hercules	Thrustmaster
Turnover	120,619	8,021	112,598	60,875	4,700	56,175
Additions to amortization and deprec	3,616	935	2,681	3,424	906	2,518
Additions to provisions	3,488	293	3,195	1,140	656	484
Net income from ordinary activities	18,970	-153	19,123	-2,590	-1,705	-885
Net operating income	23,080	-153	23,233	-2,590	-1,705	-885

- Balance sheet by business segment (€k)

	Dec 31, 2020			Dec 31, 2019		
	Total	Hercules	Thrustmaster	Total	Hercules	Thrustmaster
Goodwill on acquisitions	0	-	-	-	-	-
Intangible assets	15,425	1,099	14,326	11,401	1,391	10,010
Property, plant and equipment	4,499	1,651	2,848	4,598	1,095	3,503
Inventories	20,611	1,430	19,181	21,390	1,424	19,966
Trade receivables	28,245	1,977	26,268	19,580	1,700	17,880
Unallocated assets	72,388	-	-	38,080	-	-
TOTAL ASSETS	**141,168**	**6,157**	**62,623**	**95,049**	**5,610**	**51,359**
Shareholders' equity	79,709	-	-	50,342	-	-
Provisions	1,433	717	717	1,250	625	625
Trade payables	31,007	2,067	28,940	16,409	1,013	15,396
Unallocated liabilities	29,019	-	-	27,048	-	-
TOTAL LIABILITIES AND EQUITY	**141,168**	**2,784**	**29,657**	**95,049**	**1,638**	**16,021**

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, 2020	Dec 31, 2019
European Union	61.1	32.4
North America	35.4	14.1
Other	24.1	14.4
TOTAL	**120.6**	**60.9**

Turnover from French customers totaled €9.5 million in 2020, equating to 8% of total consolidated turnover. German customers accounted for 13% of consolidated turnover in 2020.

- Aggregate value of assets by geographical location (€k)

	Dec 31, 2020				Dec 31, 2019			
	Total	EU	North America	Other	Total	EU	North America	Other
Goodwill on acquisitions	0	-	-	-	0	-	-	-
Property, plant and equipment	4,499	4,444	45	10	4,598	4,474	111	13
Financial assets	35,442	35,385	22	35	27,602	27,537	27	38
Deferred tax assets	3,489	3,489			1,149	1,149		
Inventories	20,611	4,016	1,889	14,706	21,390	3,508	4,631	13,251
Trade receivables	28,245	15,329	7,310	5,606	19,579	10,479	3,447	5,653
Other receivables	3,887	3,764	60	63	1,644	1,546	65	33
Cash and cash equivalents	29,024	26,644	932	1,448	5,851	2,986	2,169	696
Tax assets	545	408	137	-	1,835	1,365	470	-
Unallocated assets	15,426	-	-	-	11,401	-	-	-
TOTAL ASSETS	**141,168**	**93,479**	**10,395**	**21,868**	**95,049**	**53,044**	**10,920**	**19,684**

Unallocated assets consist of intangible assets.

The Group’s inventories are mainly located in Asia (€14,706k under “Other” in the above table).

5.7 Notes to the balance sheet

5.7.1 Goodwill on acquisitions

Goodwill at December 31, 2020 is broken down as follows:

Changes in goodwill	Gross at Dec 31, 2019	Change	Gross at Dec 31, 2020
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, 2019	Additional impairment from Jan 1, 2020 to Dec 31, 2020	Impairment at Dec 31, 2020
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**
Net amount	**Total**		**0**	**0**

5.7.2 Intangible assets

Intangible assets are broken down as follows:

Gross amounts	Dec 31, 2019	Changes in scope	Increases	Decreases	Currency translation adjustments	Dec 31, 2020
Brands	10,842					10,842
Development costs	8,243		1,014		3	9,260
Development costs in progress	1,894		2,179	2,012	13	2,074
Licenses	2,896		980	730		3,146
Concessions, patents, etc.	1,054		9		-15	1,048
Other intangible assets	1,024		134		-28	1,130
TOTAL	**25,953**	**0**	**4,316**	**2,742**	**-27**	**27,500**

Amortn, deprecn & provns	Dec 31, 2019	Changes in scope	Increases	Decreases	Currency translation adjustments	Dec 31, 2020
Brands	5,110			4,110		1,000
Development costs	5,626		1,491			7,117
Licenses	1,867		868	730		2,005
Concessions, patents, etc.	977		39		-15	1,001
Other intangible assets	972		8		-28	952
TOTAL	**14,552**	**0**	**2,406**	**4,840**	**-43**	**12,075**

Net amounts	Dec 31, 2019	Dec 31, 2020
Brands	5,732	9,842
Development costs	2,617	2,143
Development costs in progress	1,894	2,198
Licenses	1,029	1,141
Concessions, patents, etc.	77	47
Other intangible assets	52	54
TOTAL	**11,401**	**15,425**

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 future discounted cash flows.

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.

The going concern value 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. This is the method used to measure the Group's brands.

- Hercules:

The Hercules brand is allocated to the Hercules cash-generating unit (CGU).

Following impairment testing of the Hercules CGU, there was no change in the value of the Hercules brand at December 31, 2020.

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 2021, 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 (turnover rising 25% a year for the next five 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, more recently, 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 got underway in 2020, with turnover up 70%.

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.

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 increase in sales seen in 2020, 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 €0.7 million.
- A 1% decrease in the discount rate would increase the recoverable amount of the Hercules cash-generating unit by €0.9 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 2022-2025 would increase the recoverable amount of the Hercules cash-generating unit by €1.5 million.
- A 1% decrease in the ratio of net operating income to turnover over the period 2022-2025 would reduce the recoverable amount of the Hercules cash-generating unit by €1.5 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.

Impairment testing of the Thrustmaster CGU resulted in a change in the value of the Thrustmaster brand at December 31, 2020, with a €4,110k write-back of impairment recognized in other operating income.

The Thrustmaster brand now 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: 10% for the next five 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 (turnover rising 10% a year for the next two years then stable)
- Discount rate: 11%

The recoverable amount of the Thrustmaster cash-generating unit was materially different from its carrying amount, requiring the €4,110k impairment loss recognized against the Thrustmaster brand to be written back in full.

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 2020, up 100%, together with record operating profitability of 17%, 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 €7.6 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 €9.2 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 €9.2 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 €9.2 million. However, given the brand's recoverable amount, no impairment loss would be recognized.

For the recoverable amount to fall below the carrying amount, the ratio of net operating income to turnover would have to be less than 4% for the next four years.

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 €1,052k in the fiscal year). Scrappage costs and the cost of projects written off totaled €1,018k 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 €2,179k 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 2020 is as follows: France €1,409k; other countries €665k.

Uncapitalized development costs recognized in expenses totaled €3.2 million in 2020.

Licenses

The “Licenses” item includes 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, 2019	Changes in scope	Increases	Decreases	Currency translation adjustments	Dec 31, 2020
Land	399					399
Buildings	8,161		256		-2	8,415
Plant	4,478		647	29	-17	5,079
Other prop., plant & equipt.	1,845		166	66	-18	1,927
Assets under construction	526		706	687		545
TOTAL	**15,409**	**0**	**1,775**	**782**	**-37**	**16,365**

Depreciation	Dec 31, 2019	Changes in scope	Increases	Decreases	Currency translation adjustments	Dec 31, 2020
Buildings	5,734		500		-2	6,232
Plant	3,851		492	29	-15	4,299
Other prop., plant & equipt.	1,226		167	42	-16	1,335
TOTAL	**10,811**	**0**	**1,159**	**71**	**-33**	**11,866**

Net amounts	Dec 31, 2019	Dec 31, 2020
Land	399	399
Buildings	2,427	2,183
Plant	627	780
Other prop., plant & equipt.	619	592
Assets under construction	526	545
TOTAL	**4,598**	**4,499**

Property, plant and equipment under construction totaling €550k 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 €969k (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 2020 is as follows: France €178k; other countries €791k.

Adoption of IFRS 16 resulted in a €1,930k increase in property, plant and equipment at December 31, 2020 in respect of the right of use linked to leases (€1,862k in Buildings and €68k 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 €231k in 2020.

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 10-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, 2019	Changes in scope	Increases	Decreases	Currency translation adjustments	Dec 31, 2020
Buildings	2,413		255			2,668
Other prop., plant & equipt.	163			22		141
TOTAL	**2,576**	**0**	**255**	**22**	**0**	**2,809**

Depreciation	Dec 31, 2019	Changes in scope	Increases	Decreases	Currency translation adjustments	Dec 31, 2020
Buildings	412		394			806
Other prop., plant & equipt.	50		23			73
TOTAL	**462**	**0**	**417**	**0**	**0**	**879**

5.7.4 Financial assets

Non-current financial assets are broken down as follows:

Gross amounts	Dec 31, 2019	Changes in scope	Increases	Decreases	Currency translation adjustments	Dec 31, 2020
Other long-term investments	124		232	52		304
Other non-current financial assets	144		3		-4	143
TOTAL	**268**	**0**	**235**	**52**	**-4**	**447**

Movements in other long-term investments relate to the liquidity agreement currently in force and a release of funds linked to a bank account opened 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, 2019	Disposals Dec 31, 2020	Acquisitions Dec 31, 2020	Translation adjustments Dec 31, 2020	Financial gain/loss Dec 31, 2020	Net Dec 31, 2020
Ubisoft Entertainment shares						
Number	443,874					443,874
Fair value (€k)	27,334				7,661	34,995
Currency derivatives	0					0
Total value	**27,334**	**0**	**0**	**0**	**7,661**	**34,995**

Ubisoft Entertainment shares (listed on an active market) are measured at fair value in accordance with IFRS 9. At December 31, 2020, the Group held 443,874 Ubisoft Entertainment shares representing 0.36% of the company's share capital.

The price used at December 31, 2019 was €61.58 per Ubisoft Entertainment share. The price used to calculate the fair value of shares at December 31, 2020 was €78.84 per Ubisoft Entertainment share. The resulting revaluation gain recognized at December 31, 2020 totaled €7,661k.

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, 2020.

5.7.5 Inventories

Inventories	Gross Dec 31, 2019	Change in inventories (result)	Changes in scope	Currency translation adjustments	Gross Dec 31, 2020
Raw materials	2,281	1,281			3,562
Finished products	20,714	-199		-463	20,052
TOTAL	**22,995**	**1,082**	**0**	**-463**	**23,614**

Accumulated impairment	Dec 31, 2019	Increases	Decreases	Changes in scope	Currency translation adjustments	Dec 31, 2020
Raw materials	544	155	69			630
Finished products	1,061	2,065	728		-25	2,373
TOTAL	**1,605**	**2,220**	**797**	**0**	**-25**	**3,003**
Total net inventories	**21,390**					**20,611**

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, 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.

No provisions have been set aside for the risk of obsolescence of inventory; this statistical approach is covered by individual analysis.

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, 2020 were 4% lower than at December 31, 2019. Impairment in the year mainly related to products in the Thrustmaster range.

5.7.6 Trade receivables

Trade receivables	Gross Dec 31, 2019	Changes	Changes in scope	Currency translation adjustments	Reclassifications	Gross Dec 31, 2020
Trade receivables	19,775	9,266		-615		28,426

The majority of trade receivables at December 31, 2020 were covered by a credit insurance policy, with coverage ranging from 90% to 95% depending on geographical region. Trade receivables totaled €28,245k at December 31, 2020, compared with €19,579k a year earlier.

The Group's top customer accounted for 18% of consolidated turnover.

Accumulated impairment	Dec 31, 2019	Additions	Reversals	Translation adjustments	Reclassifications	Dec 31, 2020
Trade receivables	195		14			181

A breakdown of trade receivables by due date is as follows:

Trade receivables	Gross at Dec 31, 2020	Not yet due	0-30 days overdue	30-60 days overdue	60-90 days overdue	More than 90 days overdue
Trade receivables	28,426	20,781	6,184	673	79	708
Accumulated impairment	181					181

Unimpaired trade receivables more than 90 days overdue mainly consist of customer deductions recognized in expenses.

5.7.7 Other receivables

	Dec 31, 2020	Dec 31, 2019
Advances and progress payments	1,696	414
VAT receivables	765	703
Trade accounts receivable	47	14
Other	68	154
Prepaid expenses	1,311	359
TOTAL	**3,887**	**1,644**

5.7.8 Cash and cash equivalents

	Dec 31, 2020	Dec 31, 2019
Cash	29,024	5,851
Cash equivalents		0
TOTAL	**29,024**	**5,851**

5.7.9 Tax assets

The balance sheet shows total current tax assets of €545k relating to a €99k receivable in respect of the French Employment and Competitiveness Tax Credit (*Crédit d'Impôt Compétitivité Emploi*) and €435k in receivables in respect of the French 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 42,232 treasury shares. These treasury shares reduce the value of shareholders' equity by €357k.

At December 31, 2020, treasury shares accounted for 0.28% of the total share capital.

Movements in shares of the consolidating company under the liquidity agreement in force increased shareholders' equity by €232k in 2020.

There were no longer any stock option plans in force at December 31, 2020.

5.7.11 Provisions for liabilities and charges

Provisions for liabilities and charges are broken down as follows:

		Increases	Decreases		Currency translation	
	Dec 31, 2019		Used	Not used	adjustments	Dec 31, 2020
Other	42	8				50
TOTAL	**42**	**8**	**0**	**0**	**0**	**50**

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 payable to employees upon retirement.)

The main actuarial assumptions used are as follows:

- Calculation year: 2020
- Discount rate: 0.34%
- Use of collective bargaining agreements specific to subsidiaries
- Retrospective calculation method for projected credit units
- Insee 2019 mortality table
- 2020 baseline salary, assuming a 2% annual increase until retirement

At December 31, 2020, the amount of the recognized provision stood at €1,383k, compared with 1,208k at December 31, 2019.

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 2020 was -€298k.

5.7.13 Borrowings

Borrowings are broken down as follows:

	Dec 31, 2020	Current (due within 1 year)			Non-current (due within more than 1 year)		Dec 31, 2019
		0-3 months	3-6 months	6-12 months	More than 1 yr	More than 5 yrs	
Borrowings from credit institutions	10,842	1,613	1,167	2,055	5,688	319	14,637
Bank overdrafts and foreign currency advances	11	11					1,374
Sundry	20	6				14	23
TOTAL	**10,873**	1,630	1,167	2,055	5,688	333	**16,034**

The Group has fixed-rate financial liabilities totaling €10,862k and floating-rate financial liabilities totaling €11k. Bank overdrafts (at floating rates) totaled €11k at December 31, 2020 and there were no foreign currency advances.

Over the period, the Group repaid €3,979k in bank borrowings and took out new borrowings totaling €359k.

During the fiscal year, the Group deferred bank loan repayments by six months following the imposition of a nationwide lockdown in France beginning in March 2020.

These borrowings are due to be repaid in less than three years and the applicable interest rate is less than 1%.

At December 31, 2020, the Group had no borrowings covered by acceleration clauses.

Statement of changes in liabilities arising from financing activities in the cash flow statement:

(€k)	Dec 31, 2019	Cash flows	Other			Dec 31, 2020
			Purchases	Changes in exchange rates	Changes in fair values	
Long-term borrowings	6,325	-1,829	0	0	0	4,496
Short-term borrowings	6,187	-1,792	0	0	0	4,395
Lease liabilities	2,125	-174	0	0	0	1,951
Hedging assets	0	0	0	0	0	0
Total financing activities	**14,637**	**-3,795**	**0**	**0**	**0**	**10,842**

Foreign currency liabilities at December 31, 2020 were mainly in euros.

Net debt	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Borrowings	10,873	16,034	11,869
Shareholders' current accounts	0	0	0
Cash at bank and in hand	29,024	5,851	4,010
Net debt	**-18,151**	**10,183**	**7,859**

The Group's net debt at December 31, 2020 was negative at -€18,151k.

Adoption of IFRS 16 has increased the Group's net debt by €1,952k (€440k short-term and €1,512k non-current).

The financial expense relating to lease liabilities in fiscal year 2020 totaled €30k.
The Group also has a portfolio of equities worth €34,995k (fair value at December 31, 2020) and has undrawn credit lines in place with its partner banks.

5.7.14 Other liabilities

	Dec 31, 2020		Dec 31, 2019
	Current	Non-current	
Social security liabilities	2,299	0	1,596
Current accounts	0	0	0
Advances and progress payments	81	0	62
Prepaid income	1,214	0	608
Other	11,082	0	8,321
TOTAL	**14,676**	**0**	**10,587**

The "Other" item notably consists of accrued expenses relating to licenses (€2,747k, compared with €1,166k in 2019), trade payables linked to variable consideration (€5,302k, compared with €3,227k in 2019) and liabilities relating to returns (€2,993k, compared with €3,897k in 2019).

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, 2020 totaled €3,489k.

Breakdown of deferred taxes by type

(€k)	Dec 31, 2020
Recognition of tax loss carryforwards – Guillemot Corporation SA	10,424
Consolidation adjustments	122
Unrealized gains on Ubisoft shares held (deferred tax liability)	-7,057
TOTAL	**3,489**

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, 2020 the Group recognized a portion of its French entities' tax loss carryforwards totaling €26,796k, resulting in the recognition of a deferred tax asset of €6,770k. Furthermore, deferred tax assets of €3,653k 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.

At December 31, 2020, the amount of tax losses in France available to be carried forward indefinitely and not recognized in the balance sheet totaled €5,713k (giving unrecognized deferred tax asset effects of €1,428k based on a 25% rate).

Breakdown of unrecognized tax loss carryforwards

(€k)	Dec 31, 2020
Guillemot Corporation SA	5,434
Hercules Thrustmaster SAS	279
Guillemot GmbH (Germany)	1,383
Guillemot Electronic Technology (Shanghai) Co. Ltd.	327
Guillemot Ltd. (United Kingdom)	265
TOTAL	**7,688**

5.8 Notes to the income statement

5.8.1 Purchases, external expenses and employee expenses

Purchases

Purchases totaled €59,656k in 2020, consisting of purchases of raw materials (electronic components) and finished products.

External expenses

External expenses are broken down as follows:

	Dec 31, 2020	Dec 31, 2019
Subcontracting	723	401
Purchases not held in inventory, equipt. & sup	278	218
Other external expenses	16,553	12,531
TOTAL	**17,554**	**13,150**

Other external expenses mainly consist of product shipping expenses, advertising, marketing, and uncapitalized external research and development expenses.

Employee expenses

Employee expenses consist of employee compensation and social security contributions. This item totaled €11,000k in 2020, compared with €9,777k in 2019. An amount of €58k corresponding to research tax credits was recognized as a deduction against 2020 employee expenses.

5.8.2 Additions to amortization, depreciation and impairment

Additions to amortization and depreciation are broken down as follows:

	Dec 31, 2020	Dec 31, 2019
Amortization of intangible assets	2,406	2,141
Depreciation of property, plant and equipment	1,210	1,283
TOTAL	**3,616**	**3,424**

Amortization of intangible assets mainly relates to guaranteed amounts relating to license agreements (€868k) and capitalized research and development costs (€1,491k).

Depreciation of property, plant and equipment mainly relates to buildings (€500k, including €393k in connection with IFRS 16) and plant (€492k).

Impairment is broken down as follows:

	Dec 31, 2020	Dec 31, 2019
Impairment of trade receivables	0	-22
Impairment in respect of liabilities and charges	84	262
Impairment of inventory	2,250	639
Other impairment	1,154	261
TOTAL	**3,488**	**1,140**

Impairment of inventory relates to products in both the Hercules and Thrustmaster ranges (€251k and €1,999k 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, 2020	Dec 31, 2019
Income		
Write-backs from other current assets	35	35
Other income from ordinary activities	218	357
Proceeds from fixed asset disposals	1	5
Total income	254	397
Expenses		
Licenses	-7,025	-3,717
Book value of fixed assets disposed of	0	-2
Other expenses from ordinary activities	-634	-326
Total expenses	-7,659	-4,045
TOTAL	**-7,405**	**-3,648**

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

The amount of €4,110k in other operating income consists of the write-back of impairment against the Thrustmaster brand (see Note 5.7.2).

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, 2020 was €129k. This includes interest costs and financial expenses arising from borrowing, as well as foreign exchange gains and losses arising from the payment of financial liabilities. Financial expenses relating to leases (IFRS 16) totaled €30k in the fiscal year.

Other financial income and expenses are broken down as follows:

	Dec 31, 2020	Dec 31, 2019
Foreign currency translation adjustments	0	0
Unrealized gain on Ubisoft Entertainment shares	7,661	0
Total other financial income	**7,661**	**0**
Other financial expenses	2	2
Foreign currency translation adjustments	130	310
Unrealized loss on Ubisoft Entertainment shares	0	3,950
Total other financial expenses	**132**	**4,262**

Foreign exchange effects arising from the translation of subsidiaries' accounts

All subsidiaries conduct business in local currency; the impact on shareholders' equity was -€545k.

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, 2020, the Group's borrowing and bank financing facilities were not fully utilized and net debt was negative at -€18.2 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 €35 million at December 31, 2020. At December 31, 2020, the Group had no borrowings covered by 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 2021 (relative to their price at December 31, 2020) would reduce net financial income by €3.5 million.

At March 19, 2021, the closing price of Ubisoft Entertainment shares was €63.74, down 19.15% relative to their price at December 31, 2020. This decrease would give rise to the recognition of a revaluation loss of €6,702k 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, 2020, 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: a breakdown of the Group's foreign currency assets and liabilities at December 31, 2020 is as follows (unhedged amounts only – i.e. those exposed to interest rate risk).

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

(€k)	USD	GBP
Assets	23,690	255
Liabilities	24,215	65
Net position before hedging	-525	190
Off balance sheet position	0	0
Net position after hedging	-525	190

Based on foreign currency values exposed to exchange rate fluctuations at December 31, 2020, a 10% annual decrease in US dollar exchange rates would result in a financial gain of €35k.

Based on foreign currency values exposed to exchange rate fluctuations at December 31, 2020, a 10% annual decrease in the sterling exchange rate would increase financial expenses by €19k.

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 given 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, 2020.

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: credit risk is the risk of financial loss if a customer should 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, 2020	Dec 31, 2019
Deferred taxes	2,339	276
Current taxes	-3,038	537
TOTAL	**-699**	**813**

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, 2020, the Group recognized a portion of its tax loss carryforwards in France. Income from deferred tax assets generated total income of €2,339k 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, 2020
Profit (loss) before tax	**30,480**
Income and expenses not subject to income tax	0
Theoretical tax (28%)	**8,534**
Temporary and permanent tax differences	252
Tax loss carryforwards	-8,082
Uncapitalized losses	-15
Theoretical income tax	**689**
Rate differences	5
Sundry	5
TOTAL	**699**

5.8.8 Discontinued operations

The Group has not discontinued any operations in recent years.

5.8.9 Earnings per share

Basic earnings per share	Dec 31, 2020	Dec 31, 2019
Earnings	29,781	-6,414
Weighted average no. of shares (thousands)	15,287	15,287
No. of treasury shares (thousands)	-42	-101
Total shares (thousands)	15,245	15,186
Basic earnings per share	1.95	-0.42

Diluted earnings per share	Dec 31, 2020	Dec 31, 2019
Earnings	29,781	-6,414
Weighted average no. of shares (thousands)	15,287	15,287
No. of treasury shares (thousands)	-42	-101
Total shares (thousands)	15,245	15,186
Maximum number of shares to be created		
- via conversion of bonds	0	0
- via exercise of options	0	0
- via exercise of subscription rights	0	0
Total shares (thousands)	15,245	15,186
Diluted earnings per share	1.95	-0.42

5.8.10 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.

5.8.11 Off balance sheet commitments

Documentary credits: €732k.

5.8.12 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 parent company and its subsidiaries paid total gross compensation of €220k to the executive directors in the fiscal year.

The parent company paid €99k to the directors in the fiscal year in consideration of their activities. This amount includes €42k paid to independent directors.

During the fiscal year ended December 31, 2020:

- no variable compensation was paid to either the Chairman and Chief Executive Officer or the Deputy Chief Executive Officers, the relevant allocation criteria not having been met;
- 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 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 a profit-sharing or bonus plan;
- no specific pension scheme was put in place for the corporate officers.

5.8.13 Workforce

At December 31, 2020, the Group had 205 employees worldwide, including 86 managers. European companies accounted for 73% of the total workforce and non-European companies for the remaining 27%.

5.8.14 Information about related companies

The parent company is owned by Guillemot Brothers Ltd. (14.63%), the Guillemot family (54.86%), Guillemot Corporation SA (0.28%) and members of the public (30.23%).

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:

(€k)	Dec 31, 2020 Ubisoft Entertainment
Trade receivables	215
Trade payables	141
Revenue	850
Expenses	464

6. SUBSEQUENT EVENTS

None.

7. DATA RELATING TO THE PARENT COMPANY, GUILLEMOT CORPORATION S.A.

GUILLEMOT CORPORATION SA (€k)	Dec 31, 2020	Dec 31, 2019
Turnover	109,418	60,315
Net operating income (loss)	17,594	-1,111
Profit (loss) before tax	20,613	-2,270
Net profit (loss)	17,692	-1,934

8. AUDITORS' FEES

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%	0	0%
TOTAL	75,441	100%	54,301	100%

Fiscal year 2019	PricewaterhouseCoopers Audit		MB Audit	
	Amount excl. taxes	%	Amount excl. taxes	%
Certification of the financial statements	71,339	100%	53,071	100%
Services other than certification of the financial statements		0%		0%
TOTAL	71,339	100%	53,071	100%

9. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Fiscal year ended 31 December 2020

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, 2020, 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, 2020 to the date on which we issued our report. In particular, we did not provide any services prohibited by 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.

<table>
<tr><th colspan="2">(1) Measurement of brands</th></tr>
<tr><td>

<u>Risk identified</u>

Brands acquired by the Guillemot Group are considered as having an indefinite life; accordingly, they are not amortized.

At December 31, 2020, brands with an indefinite life were recognized in the balance sheet at a net carrying amount of €9.8 million, or 7% of total assets (gross amount: €10.8 million).

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.

The recoverable amount is the higher of fair value less costs to sell and value in use.

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.

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".

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 as a key audit matter.

</td><td>

<u>Audit procedures implemented in response to this risk</u>

In particular, we:

- familiarized ourselves with the processes by which the 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 turnover, 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 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.

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</table>

<table>
<tr><th colspan="2">(2) Measurement of development costs</th></tr>
<tr><td>

<u>Risk identified</u>

Development costs are recognized in intangible assets whenever the criteria laid down in IAS 38 are met.

At December 31, 2020, capitalized costs came to a net amount of €4.3 million, or 3% of total assets, and related to all product lines under the Hercules and Thrustmaster brands.

Project eligibility is reviewed quarterly by the Group’s finance and technical departments, in agreement with senior management.

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:
- technical feasibility of completing the intangible asset before it can be used or sold
- the likelihood that the asset will generate future economic benefits

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.

</td><td>

<u>Audit procedures implemented in response to this risk</u>

In particular, we:

- 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.

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.

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(3) Measurement of inventories of components and finished products	
Risk identified The Group's inventories consist of electronic components and sub-assemblies as well as finished products. At December 31, 2020, inventories were recognized in the balance sheet at a net carrying amount of €20.6 million, equating to 15% of total assets. An impairment loss is recognized whenever the acquisition value of inventory is greater than its probable realizable value less costs to sell. Impairment tests are 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. 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. Given the assumptions underpinning estimates, we considered measurement of the probable realizable value of products held in inventory to be a key audit matter.	**Audit procedures implemented in response to this risk** We: - 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 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. 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".

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 for inclusion in the annual financial report

In accordance with section III of Article 222-3 of the AMF's General Regulation, the Company's management informed us of its decision to defer adoption of the European Single Electronic Format, as defined in Commission Delegated Regulation (EU) 2019/815 of December 17, 2018, to fiscal years beginning on or after January 1, 2021. Consequently, this report does not include any conclusion as regards compliance with this format for the presentation of the consolidated financial statements for inclusion in the annual financial report referred to in section I of Article L.451-1-2 of the French Monetary and Financial Code.

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, 2020, PricewaterhouseCoopers Audit was serving for its seventeenth consecutive year and MB Audit for its fourteenth consecutive year, 17 and 14 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 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 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 can 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 pose a threat to 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 the 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.

Rennes and Bruz, April 23, 2021

The statutory auditors

PricewaterhouseCoopers Audit	MB Audit
Jérôme Mouazan	Khadija Roullé

➢ PARENT COMPANY FINANCIAL STATEMENTS TO DECEMBER 31, 2020

All figures are in thousands of euros (€k).

1. BALANCE SHEET

ASSETS	Gross	Amort'n/deprec'n/ impair't	Net	Net
(€k)	**Dec 31, 2020**	**Dec 31, 2020**	**Dec 31, 2020**	**Dec 31, 2019**
Intangible assets	24,039	9,632	14,407	10,504
Property, plant and equipment	8,427	6,816	1,611	1,499
Non-current financial assets	44,060	36,372	7,688	7,551
Non-current assets	**76,526**	**52,820**	**23,706**	**19,554**
Inventories and w ork in progress	19,850	2,499	17,351	16,125
Advances and progress payments	1,641	0	1,641	388
Trade receivables	24,680	505	24,175	18,530
Other receivables	1,673	596	1,077	1,769
Investment securities	7,124	0	7,124	7,011
Cash at bank and in hand	26,237	0	26,237	2,506
Current assets	**81,205**	**3,600**	**77,605**	**46,329**
Accrued and deferred items	1563	0	1,563	327
TOTAL ASSETS	**159,294**	**56,420**	**102,874**	**66,210**

LIABILITIES AND EQUITY		
(€k)	**Dec 31, 2020**	**Dec 31, 2019**
Share capital	11,771	11,771
Issue, conversion and merger premiums	10,633	10,633
Reserves	6,754	6,754
Retained earnings	-1,934	0
Net income for the year	17,692	-1,934
Shareholders' equity	**44,916**	**27,224**
Provisions	1,243	487
Borrow ings	8,962	13,949
Trade payables	33,013	17,585
Taxes and social security payable	3,151	97
Payables to fixed asset suppliers	84	324
Other liabilities	6,798	5,589
Total liabilities	**52,008**	**37,544**
Accrued and deferred items	4,707	955
TOTAL LIABILITIES AND EQUITY	**102,874**	**66,210**

2. INCOME STATEMENT

(€k)	Dec 31, 2020	Dec 31, 2019
Turnover	109,418	60,315
Production taken into inventory	850	-5,111
Self-constructed assets	2,377	2,347
Write-backs of amortization, depreciation and provisions and transfers of expenses	1,250	1,543
Other income from ordinary activities	2,008	992
Total operating income	**115,903**	**60,086**
Purchases	55,687	27,531
Changes in inventory	-1,281	552
External expenses	28,922	23,931
Taxes and duties	404	95
Employee expenses	401	299
Other expenses	9,456	5,189
Additions to amortization and depreciation	2,123	1,990
Impairment and provisions	2,597	1,610
Total operating expenses	**98,309**	**61,197**
Net operating income	**17,594**	**-1,111**
Income from equity interests	336	0
Net income from disposals of investments	369	10
Other interest and related income	33	37
Reversals of provisions and transfers of expenses	58	48
Foreign currency translation gains	66	309
Total financial income	**862**	**404**
Additions to amort'n, deprec'n & prov'ns on financial items	74	497
Interest and related expenses	117	373
Foreign currency translation losses	577	342
Net expenses on disposals of investment securities	31	59
Total financial expenses	**799**	**1,271**
Net financial income	**63**	**-867**
Net income (loss) from ordinary activities	**17,657**	**-1,978**
Net non-recurring income (expense)	**2,956**	**-292**
Profit (loss) before tax	20,613	-2,270
Corporate income tax	-2,921	336
Net profit (loss) for the year	**17,692**	**-1,934**

3. INTERIM MANAGEMENT FIGURES

The main interim management figures are as follows:

(€k)	Dec 31, 2020	Dec 31, 2019
Production in the year	112,645	57,551
Value added	29,317	5,537
Earnings before interest, tax, depreciation and amortization	28,512	5,143
Net operating income (loss)	**17,594**	**-1,111**

4. STATEMENT OF CASH FLOWS

Cash flows from operating activities (€k)	**Dec 31, 2020**	**Dec 31, 2019**
Net profit (loss)	17,692	-1,934
Additions to amort'n, deprec'n, impair't and prov'ns (1)	5,948	4,388
Reversals of amort'n, deprec'n, impair't and prov'ns (1)	-5,186	-1,371
Capital gains (losses) on disposals	0	0
Cash generated from operations	**18,454**	**1,083**
Change in operating cash requirement	11,226	2,837
Change in non-operating cash requirement	2,511	-785
Change in working capital requirement	**13,737**	**2,052**
Cash flows from investing activities		
Acquisitions of intangible assets	-2,377	-2,406
Acquisitions of property, plant and equipment	-806	-607
Disposals of property, plant and equipment and intangible asset:	0	0
Acquisitions of non-current financial assets	-232	0
Disposals of non-current financial assets	52	103
Net cash from acquisitions and disposals of subsidiaries	0	0
Total cash flows from investing activities	**-3,363**	**-2,910**
Cash flows from financing activities		
Increases in capital and capital injections	0	0
Dividends paid	0	-1,980
Borrowings	0	11,000
Repayments of borrowings	-3,620	-4,192
Repayments of shareholders' current accounts	0	0
Total cash flows from financing activities	**-3,620**	**4,828**
Change in cash	**25,208**	**5,053**
Net cash at the beginning of the period (2)	8,145	3,092
Net cash at the end of the period (2)	33,353	8,145

(3) Excludes additions to and reversals of impairment losses on available-for-sale securities.
(4) 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, 2020. Total assets stood at €102,874k. The income statement showed a profit of €17,692k.

The fiscal year covered the 12-month period from January 1 to December 31, 2020.

5.1 Significant events in the year

The Company posted strong growth in the year, with full-year turnover up 81% at €109,418k.

Net income from ordinary activities came in at €17,594k, compared with a €1,111k net loss from ordinary activities in the year ended December 31, 2019.

The global Covid-19 pandemic meant 2020 was an unusual year for the Company, affecting the market in unprecedented ways. Consumers played more video games over the period and opted to expand their ecosystem of accessories.

Thrustmaster achieved growth of 83% in the year thanks to successful sales of the brand's Airbus flying accessories and strong momentum in the racing and gamepad segments.

Hercules grew its sales by 59% in the year.

The Company stepped up production significantly to meet demand.

Sales growth was very strong across all regions, with sales reaching record levels in the United States, Germany, Poland, Australia and China. On the back of this strong momentum, the Company ramped up its strategy of forging new direct partnerships with major e-tailers (Box UK; Amazon in Japan, Saudi Arabia and the UAE; Cdiscount; etc.).

The Company posted net financial income of €63k, compared with a net financial expense of €867k in the prior year. This includes €336k in dividends received from subsidiaries and €338k of proceeds from the disposal of treasury shares.

The Company posted net non-recurring income of €2,956k. This includes a €4,110 write-back of impairment against the Thrustmaster brand and €1,154k in exceptional write-downs of development and materials costs.

The Company posted a net profit of €17,692k, compared with a net loss of €1,934k a year earlier.

Net debt at December 31, 2020 was negative at -€22,414k, compared with positive net debt of €6,481k a year earlier.

Key events in 2020 are set out below.

Thrustmaster

- **Flying/joysticks**: new products in the Airbus range released in the fourth quarter, such as the *TCA Officer Pack Airbus Edition* and the *Quadrant Add-on*, contributed to very strong full-year sales performance.

  The *Thrustmaster TCA Quadrant Add-on Airbus Edition* comes with 15 headline functions inspired by the flight decks of Airbus aircraft. It promises an immersive gaming experience, with realistic buttons and releases specially designed to control approach and landing sequences.

- **Racing wheels**: Thrustmaster supported its official drivers in more eSports competitions and boosted the benefits of using the brand's accessories. Thanks to its comprehensive ecosystem of racing wheels, pedal sets, gear sticks and handbrakes, the racing range maintained the brand's appeal and momentum in this segment, with new bundles released for specific racing specialties (Formula 1, rallying, GT, etc.).

- **Gamepads**: buoyed by the success of the first *ESWAP PRO CONTROLLER* launched a year ago, at the end of December Thrustmaster launched the *ESWAP X PRO CONTROLLER*, officially licensed for Xbox Series X|S and Xbox One. On January 17, 2021, French website Clubic described it as “a big hit” and the “Rolls-Royce of wired gamepads”. UK website KeenGamer, which attracts over 770,000 visitors a month, gave the *ESWAP X PRO CONTROLLER* a score of 9.4 out of 10 and said it “combines the best of all controller options in one package”.

Hercules

Following a strong third quarter, Hercules continued to grow thanks to successful sales of its Inpulse controllers, including the *Hercules DJControl Inpulse 500* launched in July. Partner promotions and dedicated bundles captured the attention of future DJs. New content was added to the *Hercules DJ Academy* to meet the community’s demand for more advanced content, with the *Hercules DJControl Inpulse* range positioned as the simple but effective way to learn the art of DJing.

Impact of Covid-19

Formula 1 and endurance racing have both taken to the virtual world of PC and console racing, fueling increased interest in eSports. Together with stay-at-home orders, this has put the spotlight on video games and generated demand for specialist accessories to enhance performance. The Company has further stepped up production since last summer to meet demand.

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. At each balance sheet date, if their net carrying amount is greater than the higher of market value and value in use, an impairment loss is recognized.

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 based on their 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 tests are 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, level of 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 using 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 discount or volume rebate 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.

5.4 Notes to the balance sheet

5.4.1 Intangible assets

Intangible assets are broken down as follows:

Gross amounts	Dec 31, 2019	Increases	Decreases	Dec 31, 2020
Research and development costs	8,573	1,052	0	9,625
Brands and goodwill	11,782	0	0	11,782
Concessions, patents, licenses, brands and software	364	0	0	364
Intangible assets under construction	1,961	2,377	2,070	2,268
TOTAL	**22,680**	**3,429**	**2,070**	**24,039**

Accumulated amortization and impairment	Dec 31, 2019	Increases	Decreases	Dec 31, 2020
Research and development costs	5,857	1,546	0	7,403
Brands and goodwill	6,051	0	4,110	1,941
Concessions, patents, licenses, brands and software	268	20	0	288
TOTAL	**12,176**	**1,566**	**4,110**	**9,632**

Net amounts	Dec 31, 2019	Dec 31, 2020
Research and development costs	2,716	2,222
Brands and goodwill	5,731	9,841
Concessions, patents, licenses, brands and software	96	76
Intangible assets under construction	1,961	2,268
TOTAL	**10,504**	**14,407**

Development costs

Development costs consist of all work undertaken by the 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 €1,052k was transferred to development costs in 2020.

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 product lines under the Hercules and Thrustmaster brands. Development costs capitalized over the period totaled €2,377k.

Development costs no longer meeting the six capitalization criteria were removed from assets. Net scrappage costs and the net cost of projects written off totaled €1,018k in the year.

Development costs are amortized over the useful life of the asset in question, which ranges from one to five years.

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 future discounted 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.

The going concern value 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. This is the method used to measure the Group's brands.

Hercules

The Hercules brand is allocated to the Hercules cash-generating unit (CGU).

Following impairment testing of the Hercules CGU, there was no change in the value of the Hercules brand at December 31, 2020.

The following assumptions are used to test the Hercules CGU for impairment:

- Ratio of net operating income to turnover: balanced in 2021, 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 (turnover rising 25% a year for the next five 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 €1,432k.

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, more recently, 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%.

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.

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, supports 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.

Impairment testing of the Thrustmaster CGU resulted in a change in the value of the Thrustmaster brand at December 31, 2020, with a €4,110k write-back of impairment recognized in non-recurring income.

The Thrustmaster brand now 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: 10% for the next five 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 (turnover rising 10% a year for the next two years then stable)
- Discount rate: 11%

The recoverable amount of the Thrustmaster cash-generating unit was materially different from its carrying amount, requiring the €4,110k impairment loss recognized against the Thrustmaster brand to be written back in full.

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 2020, up 83%, together with record operating profitability of 16%, 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, 2019	Increases	Decreases	Dec 31, 2020
Land	219	0	0	219
Buildings and fixtures	3,105	0	0	3,105
Plant and machinery	3,936	651	29	4,558
Property, plant and equipment under construction	526	706	687	545
TOTAL	**7,786**	**1,357**	**716**	**8,427**

Depreciation	Dec 31, 2019	Increases	Decreases	Dec 31, 2020
Land	0	0	0	0
Buildings and fixtures	2,937	80	0	3,017
Plant and machinery	3,350	478	29	3,799
TOTAL	**6,287**	**558**	**29**	**6,816**

Net amounts	Dec 31, 2019	Dec 31, 2020
Land	219	219
Buildings and fixtures	168	88
Plant and machinery	586	759
Property, plant and equipment under construction	526	545
TOTAL	**1,499**	**1,611**

Property, plant and equipment under construction consists of production equipment in progress. The reduction in these assets corresponds to a €551k transfer to the "Equipment" item and €136k in scrappage costs in connection with projects written off. Purchases of equipment consist of molds used in production.

5.4.3 Non-current financial assets

Gross non-current financial assets are broken down as follows:

	Dec 31, 2019	Increases	Decreases	Dec 31, 2020
Equity investments	43,751	0	0	43,751
Other non-current financial assets	125	232	52	305
Deposits and guarantees	4	0	0	4
TOTAL	**43,880**	**232**	**52**	**44,060**

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 €276k at December 31, 2020. The security deposit relating to waste processing stands at €29k after €52k was released during the fiscal year.

Equity investments are investments in subsidiaries of Guillemot Corporation.

Equity investments	Dec 31, 2019	Additions	Reversals	Dec 31, 2020
Investments in subsidiaries				
Gross amount	43,751	0	0	43,751
Impairment	36,328	74	30	36,372
Net	**7,423**	**-74**	**30**	**7,379**

A €36,372k 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, 2020):

- Guillemot SA (Belgium) €183k
- Guillemot Srl (Italy) €4,831k
- Guillemot Inc (Canada) €18,957k
- Guillemot Ltd (United Kingdom) €12,188k

Schedule of subsidiaries

	Currency	Headquarters	Financials (€k)					Carrying amount of investment (€k)		Loans and advances granted (€k)	Guarantees given	Dividends received by Guillemot Corporation SA	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	1,318	99.42%	5,810	461	288	288	-	-	-	-
Guillemot Administration et Logistique SARL (France)	EUR	Carentoir	222	907	99.96%	3,959	116	222	222	-	-	-	-
Guillemot Ltd. (United Kingdom)	GBP	Surrey	9,512	-9,488	99.99%	219	19	12,211	23	67	-	-	-
Guillemot SA (Belgium)	EUR	Wemmel	175	58	99.93%	0	-2	416	233	-	-	-	-
Guillemot GmbH (Germany)	EUR	Obermichelbach	511	-1,107	99.75%	557	21	15	0	758	-	-	596
Guillemot Corporation (H-K) Ltd. (Hong Kong)	HKD	Hong Kong	1	719	99.50%	2,156	117	23	23	-	-	-	-
Guillemot Recherche & Développement Inc. (Canada)	CAD	Montreal	1,062	608	99.99%	1,115	37	1,257	1,257	-	-	-	-
Guillemot Inc. (United States)	USD	Sausalito	81	86	99.99%	0	-2	8	8	-	-	-	-
Guillemot Inc. (Canada)	CAD	Montreal	30,794	-25,353	74.89%	34,892	277	23,032	4,075	-	-	-	-
Guillemot SRL (Italy)	EUR	Milan	10	82	100.00%	231	11	4,923	92	-	-	-	-
Guillemot Romania Srl (Romania)	RON	Bucharest	15	128	100.00%	695	40	20	20	-	-	-	-
Guillemot Spain SL (Spain)	EUR	Madrid	3	39	100.00%	288	19	3	3	-	-	-	-
Guillemot Electronic Technology (Shanghai) Co. Ltd.	RMB	Shanghai	187	-512	100.00%	5,313	65	198	0	20	-	-	-
Guillemot Innovation Labs (France)	EUR	Carentoir	1,135	38	100.00%	618	24	1,135	1,135	-	-	-	-

5.4.4 Inventories

Inventories are broken down as follows:

Inventories	Gross Dec 31, 2019	Change in inventories (outcome)	Gross Dec 31, 2020
Packaging materials in inventory	19	-3	16
Finished products	15,437	850	16,287
Raw materials and w ork in progress	2,263	1,284	3,547
TOTAL	**17,719**	**2,131**	**19,850**

Impairment	Gross Dec 31, 2019	Increases	Decreases	Gross Dec 31, 2020
Packaging materials in inventory	0	0	0	0
Finished products	1,051	1,198	380	1,869
Raw materials and w ork in progr	543	156	69	630
TOTAL	**1,594**	**1,354**	**449**	**2,499**
Total net inventories	**16,125**			**17,351**

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, 2020 were 8% higher than at December 31, 2019. 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 €1,641k at the year-end.

5.4.6 Trade receivables

Trade receivables are broken down as follows:

	Gross Dec 31, 2020	Impairment Dec 31, 2020	Net Dec 31, 2020	Net Dec 31, 2019
Trade receivables	24,680	505	24,175	18,530
TOTAL	**24,680**	**505**	**24,175**	**18,530**

The majority (95%) of trade receivables were covered by a credit insurance policy at December 31, 2020. Trade receivables totaled €24,175k at December 31, 2020, compared with €18,530k a year earlier.

5.4.7 Receivables and payables

Receivables and payables are broken down as follows:

RECEIVABLES MATURITY SCHEDULE	At Dec 31, 2020		
	Gross amount	< 1 yr	> 1 yr
Operating receivables			
Amounts receivable from suppliers	226	226	0
Trade receivables	24,680	24,680	0
Government (VAT credits, sundry)	622	622	0
Group and affiliates	825	0	825
Prepaid expenses	1,088	1,088	0
TOTAL	**27,441**	**26,616**	**825**

Current account advances totaling €825k consist of €758k to Guillemot GmbH (Germany) and €67k to Guillemot Ltd. (United Kingdom). Government receivables mainly consist of VAT receivables. The “Receivables from suppliers” item includes €180k in credit notes receivable, including €155k in intra-group credit notes.

PAYABLES MATURITY SCHEDULE	At Dec 31, 2020		
	Gross amount	< 1 yr	> 1 yr
Borrowings from credit institutions	8,897	4,401	4,496
Bond issue	0	0	0
Medium-term bank loans	56	0	56
Bank overdrafts and foreign currency advanc	9	9	0
Trade payables	33,013	33,013	0
Taxes and social security payable	3,151	3,151	0
Other liabilities	4,813	4,813	0
Payables to fixed asset suppliers	84	84	0
Group and affiliates	1,985	0	1,985
TOTAL	**52,008**	**45,471**	**6,537**
Borrowings taken out during the period	0		
Reduction in borrowings via conversion of bonds	0		
Reduction in borrowings via repayment	-3,620		
Debts owed to individuals	0		

At the year-end, Guillemot Corporation S.A. had fixed-rate borrowings from financial institutions totaling €8,897k.

Over the period, the Company repaid borrowings of €3,620k. During the fiscal year, the Company deferred bank loan repayments by six months following the imposition of a nationwide lockdown in France beginning in March 2020.

At December 31, 2020, 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 €895k and €1,090k respectively.

	Dec 31, 2020	Dec 31, 2019
Borrowings		
Bond issue	0	0
Borrowings and debts with credit institutions	8,906	13,893
Borrowings and financial liabilities	56	56
Current account advances	1,985	2,049
	10,947	**15,998**
Cash at bank and in hand		
Net investment securities	7,124	7,011
Cash at bank and in hand	26,237	2,506
	33,361	**9,517**
Net debt	**-22,414**	**6,481**

The Company's net debt position is negative at -€22,414k.

5.4.8 Investment securities

This item includes 42,232 treasury shares with a net value of €357k. The Company also owns 443,874 Ubisoft Entertainment SA shares, representing 0.36% of the share capital, with a purchase cost of €6,767k.

	Gross Dec 31, 2020	Impairment Dec 31, 2020	Net Dec 31, 2020	Net Dec 31, 2019
Investment securities	6,767	0	6,767	6,767
Treasury shares	357	0	357	244
TOTAL	**7,124**	**0**	**7,124**	**7,011**

The balance sheet value of treasury shares and Ubisoft Entertainment SA shares totaled €359k and €34,746k at the year-end respectively.

5.4.9 Cash at bank and in hand

	Dec 31, 2020	Dec 31, 2019
Cash at bank and in hand	26,237	2,506
Bank loans and overdrafts	-9	-1,372
Net bank balance	**26,228**	**1,134**

5.4.10 Accrued and deferred items

Assets

	Dec 31, 2020	Dec 31, 2019
Prepaid expenses	1,088	190
Deferred expenses	0	0
Bond redemption premiums	0	0
Foreign currency translation losses	475	137
TOTAL	**1,563**	**327**

Prepaid expenses mainly consist of components, finished products and licenses not shipped at December 31, 2020.

Foreign currency translation losses mainly arise when calculating the present value of foreign currency payables at the closing exchange rate. A provision for unrealized losses has been set aside.

Liabilities

	Dec 31, 2020	Dec 31, 2019
Prepaid income	4,000	791
Foreign currency translation gains	707	164
TOTAL	**4,707**	**955**

Prepaid income consists of products not shipped at December 31, 2020.

Foreign currency translation gains mainly arise when calculating the present value of foreign currency receivables.

5.4.11 Accrued income

	Dec 31, 2020	Dec 31, 2019
Credit notes receivable from suppliers	180	52
Unbilled revenue from customers	410	1
TOTAL	**590**	**53**

5.4.12 Accrued expenses

	Dec 31, 2020	Dec 31, 2019
Interest on borrow ings and financial liabilit	15	35
Accrued customer invoices	21,388	8,906
Accrued supplier credit notes	1,770	2,166
Taxes and social security payable	428	34
Accrued expenses	2,927	1,345
TOTAL	**26,528**	**12,486**

5.4.13 Information about related companies

Equity investments €43,751k

Gross current assets
Trade receivables €7,266k
Advances and progress payments €20k
Current account advances €825k

Gross payables
Trade payables €5,355k
Current account advances €1,985k

Financial income €365k
Financial expenses €20k

Transactions with related companies are entered into at arm’s length.

5.4.14 Provisions and impairment

		Increases	Decreases		
Provisions	**At Dec 31, 2019**		**Used**	**Not used**	**At Dec 31, 2020**
For foreign exchange risk	137	475	137	0	475
For product returns	350	768	350	0	768
Total	**487**	**1,243**	**487**	**0**	**1,243**

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, 2019	Increases	Decreases	At Dec 31, 2020
Non-current financial assets	36,328	74	30	36,372
Other non-current financial assets	0	0	0	0
Inventories	1,594	1,354	449	2,499
Trade receivables	594	0	89	505
Intangible assets	6,051	0	4,110	1,941
Other impairment	624	0	28	596
Total	**45,191**	**1,428**	**4,706**	**41,913**

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 (€36,372k in equity investments and €596k in current account advances).

Impairment of non-group trade receivables totals €180k and relates to doubtful receivables.

The Company has recognized impairment of €1,000k against the Hercules brand and €941k against goodwill.

The Company has written back the €4,110k impairment charge against the Thrustmaster brand in full.

5.4.15 Share capital

	Number of shares	Par value	Amount
At Dec 31, 2019	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, 2020	**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 0.28% of the total share capital.

Statement of changes in equity

(€k)	Balance before appropriation of income for fiscal year to Dec 31, 2019	Appropriation of income for fiscal year to Dec 31, 2019	After appropriation of income for fiscal year to Dec 31, 2019	Dividends paid	Earnings in fiscal year to Dec 31, 2020	Balance at Dec 31, 2020
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	0	645	0	0	645
Other reserves	6,109	0	6,109	0	0	6,109
Retained earnings	0	-1,934	-1,934	0	0	-1,934
Associates – dividends payable	0	0	0	0	0	0
Earnings	-1,934	1,934	0	0	17,692	17,692
TOTAL	**27,224**	**0**	**27,224**	**0**	**17,692**	**44,916**

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: steering wheels, gamepads, joysticks and gaming headsets.

By geographical region (€k)	Dec 31, 2020	Dec 31, 2019
European Union	62,451	32,887
North America	26,237	14,474
Other	20,730	12,954
TOTAL	**109,418**	**60,315**

By segment (€k)	Dec 31, 2020	Dec 31, 2019
Thrustmaster	101,580	55,393
Hercules	7,838	4,922
TOTAL	**109,418**	**60,315**

Turnover from French customers totaled €9,202k in 2020, equating to 8% of total consolidated turnover.

5.5.2 Production taken into inventory

Production taken into inventory is broken down as follows:

	Dec 31, 2020	Dec 31, 2019
Production taken into inventory	850	-5,111
Total	**850**	**-5,111**

5.5.3 Self-constructed assets

Self-constructed assets are broken down as follows:

	Dec 31, 2020	Dec 31, 2019
Self-constructed assets	2,377	2,347
Total	**2,377**	**2,347**

Costs linked to 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 €2,377k in the fiscal year.

5.5.4 Other operating income from ordinary activities

	Dec 31, 2020	Dec 31, 2019
Reversals of impairment and provisions	1,025	1,328
Transfers of expenses	225	215
Other income	2,008	992
Total	**3,258**	**2,535**

Reversals of impairment and provisions consist of €449k in inventories, the reversal of a €487k provision for product returns and the reversal of an €89k provision for unrealized foreign exchange losses on trade receivables and payables. Transfers of expenses totaling €225k consist of expenses rebilled to third parties and subsidiaries (€73k) and insurance benefits received (€137k).

Other income mainly consists of revenue from property leases (€224k) and foreign exchange gains on trade receivables and payables (€1,659k).

5.5.5 Purchases consumed

	Dec 31, 2020	Dec 31, 2019
Purchases of goods for resale	0	0
Purchases of raw materials	55,687	27,531
Changes in inventory	-1,281	552
Total	**54,406**	**28,083**

5.5.6 Other expenses from ordinary activities

Other expenses from ordinary activities are broken down as follows:

	Dec 31, 2020	Dec 31, 2019
Other purchases and external expenses	28,922	23,931
Other expenses	9,456	5,189
Total	**38,378**	**29,120**

Other external expenses mainly consist of the following:

- Transportation services totaling €2,029k
- Subsidiaries' subcontracting services totaling €13,747k
- Marketing and advertising expenses totaling €6,191k
- Development costs not meeting the capitalization criteria, permanently recognized in expenses for a total of €3,524k in respect of 2020

Other expenses from ordinary activities mainly consist of licensing fees totaling €7,893k, compared with €4,526k in the year to December 31, 2019. 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.

Foreign exchange losses on trade receivables and payables total €1,316k.

The Company paid €102k to the directors in the fiscal year in consideration of their activities.

5.5.7 Employee expenses

	Dec 31, 2020	Dec 31, 2019
Wages and salaries	309	221
Social security contributions	92	78
Total	**401**	**299**

At December 31, 2020, the workforce consisted solely of the executive officers, whose total gross compensation in respect of their executive duties came to €220k.

5.5.8 Additions to amortization, depreciation, impairment and provisions

	Dec 31, 2020	Dec 31, 2019
Amortization of intangible assets	1,565	1,352
Depreciation of property, plant and equipment	558	638
Impairment of current assets	1,354	1,123
Provisions for liabilities and charges	1,243	487
Total	**4,720**	**3,600**

Amortization of intangible assets mainly relates to development costs capitalized from the date of production of the asset in question, totaling €1,546k.

Depreciation of property, plant and equipment mainly consists of €80k in depreciation of buildings and €475k in depreciation of molds used in production.

Impairment of inventory relates to products in both the Hercules and Thrustmaster ranges (€188k and €1,166k respectively).

Provisions for liabilities and charges consist of €768k in respect of product returns and €475k in respect of unrealized foreign exchange losses.

5.5.9 Net financial income

	Dec 31, 2020	Dec 31, 2019
Income from equity interests	336	0
Total other financial income	**336**	**0**
Reversals of provisions and transfers of expenses	58	48
Additions to amort'n, deprec'n & prov'ns on financial items	74	497
Total additions to and reversals from prov'ns	**-16**	**-449**
Translation gains	66	309
Translation losses	577	342
Total translation adjustments	**-511**	**-33**
Net income from disposals of investment securities	369	10
Net expenses on disposals of investment securities	31	59
Income from disposals of investment securities	**338**	**-49**
Other interest and related income	33	37
Interest and related expenses	117	373
Total interest income and expenses	**-84**	**-336**
TOTAL	**63**	**-867**

Financial risks are as follows:

- Liquidity risk: at December 31, 2020, the Company's borrowing and bank financing facilities were not fully utilized; net debt stood was negative at -€22,414k.

At December 31, 2020, based on the average price in December 2020, the fair value of the Company's portfolio of available-for-sale securities stood at €35,106k.

- Market risk: fluctuations in the market price of shareholdings affect the Company's earnings. Over 2020, a 10% decrease in the price of the Company's shares (relative to their price at December 31, 2020) would have reduced net financial income by €34k.

At March 19, 2021, the closing price of Ubisoft Entertainment shares was €63.74, down 18.57% relative to their price at December 31, 2019.

- Interest rate risk: based on the Company's outstanding unhedged floating-rate financial liabilities at December 31, 2020, 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, 2020.

- Foreign exchange risk: a breakdown of the Company's foreign currency assets and liabilities at December 31, 2020 is as follows (unhedged amounts only – i.e. those exposed to interest rate risk):

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

(€k)	USD	GBP	CAD
Assets	22,187	969	0
Liabilities	25,997	101	2,317
Net position before hedging	-3,810	868	-2,317
Off balance sheet position	0	0	0
Net position after hedging	-3,810	868	-2,317

Based on foreign currency values exposed to exchange rate fluctuations at December 31, 2020, a 10% annual decrease in US dollar exchange rates would result in an operating loss of €1,023k and a financial gain of €713k.

Based on foreign currency amounts exposed to exchange rate fluctuations at December 31, 2020, a 10% annual decrease in the value of sterling would result in an operating loss of €83k and a financial loss of €14k. Based on foreign currency amounts exposed to exchange rate fluctuations at December 31, 2020, a 10% annual increase in the value of the Canadian dollar would result in an operating gain of €59k and a financial gain of €90k.

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 given 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, 2020.

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: credit risk is the risk of financial loss if a customer should 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 the 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 written back against the net position of equity investments or current account advances at December 31, 2020.

With respect to equity investments, the Company has recognized the following:

- A €72k addition to impairment in respect of its investment in Guillemot Inc. (Canada)
- A €2k addition to impairment in respect of its investment in Guillemot S.A. (Belgium)
- A €19k reversal of impairment in respect of its investment in Guillemot Ltd. (United Kingdom)
- An €11k reversal of impairment in respect of its investment in Guillemot SRL (Italy)

With respect to current account advances, the Company has recognized the following:

- A €21k reversal of impairment on current account advances granted to Guillemot GmbH (Germany)

Net income and expenses on disposals of investment securities

Guillemot Corporation SA posted a €338k gain on the disposal 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 €21k 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 €97k. Interest expenses on current accounts totaled €20k. During the fiscal year, the Company deferred bank loan repayments by six months following the imposition of a nationwide lockdown in France beginning in March 2020.

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, 2020	Dec 31, 2019
Non-recurring income from management activities	0	0
Non-recurring income from capital transactions	0	0
Reversals of provisions and transfers of expenses	4,110	0
Total non-recurring income	**4,110**	**0**
Non-recurring expenses on management activities	0	0
Non-recurring expenses on capital transactions	0	0
Exceptional additions to amort'n, deprec'n & prov'ns	1,154	292
Total non-recurring expenses	**1,154**	**292**
TOTAL	**2,956**	**-292**

Impairment testing of the Thrustmaster CGU resulted in the recognition of a €4,110k write-back of impairment against the Thrustmaster brand.

Development costs no longer meeting the six capitalization criteria have been removed from assets and the corresponding equipment scrapped. Consequently, the Company recognized an exceptional depreciation charge of €1,154k in the year ended December 31, 2020.

5.5.11 Corporate income tax

Profit to Dec 31, 2020		Current	Exceptional	Net
Tax basis		18,438	2,956	21,394
Tax loss carryforwards		-9,650	-1,547	-11,197
Tax due	28.00%	2,461	395	2,855
Tax credits		-3	0	-3
Social security contribution on profits	3.30%	59	10	69
Net income tax		**2,517**	**405**	**2,921**

Increases and decreases in future taxes payable consist of expenses that are temporarily non deductible (to be deducted the following year):

- Currency fluctuations: €1,182k
- Impairment in respect of product returns: €768k

Schedule of tax loss carryforwards

Year	Tax loss carryforwards
2002	13,268
2003	7,690
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	**46,844**

5.5.12 Average workforce

	Total	Management	Non-management
Dec 31, 2020	5	5	0

At December 31, 2020, the workforce consisted solely of the executive officers.

5.5.13 Financial commitments

Letters of intent

Letter of support in favor of Guillemot GmbH (Germany), Guillemot Ltd. (United Kingdom) and Guillemot Electronic Technology (Shanghai) Co. as owner, confirming the Company's confidence in these companies' continued operation.

Discounted bills not yet due

None.

Documentary credits outstanding

€732k.

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

€823k.

Commitments received

Guillemot Corporation SA waived €6,000k in current account advances granted 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 2020, and taking into account the repayment terms, Guillemot Corporation S.A. added back a total of €21k to balance sheet assets. The remaining €5,594k 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 €1,098k.

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 €220k to the executive officers in the fiscal year.

The Company paid €99k to the directors in the fiscal year in consideration of their activities. This amount includes €42k paid to independent directors.

No specific pension scheme was put 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 profit-sharing 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

None.

5.7 Proposed appropriation of income

		(€)	(€)
Sources			
Retained earnings brought forward			
Earnings for fiscal year ended Dec 31, 2020			17,692,226.49
O/w net income from ordinary activities after tax:	*14,736,541.37*		
Deduction from reserves			
Appropriations			
Appropriations to reserves:			
- Statutory reserve		532,388.47	
- Special reserve for long-term capital gains			
- Other reserves		11,404,204.09	
Dividends		3,821,870.00	
Other appropriations:			
- To issue premiums			
- To contribution premiums			
- To conversion premiums			
Retained earnings		1,933,763.93	
TOTAL		**17,692,226.49**	**17,692,226.49**

5.8 Statutory auditors’ fees

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%

Fiscal year 2019	PricewaterhouseCoopers Audit		MB Audit	
	Amount excl. taxes	%	Amount excl. taxes	%
Certification of the financial statements	64,413	100%	49,571	100%
Services other than certification of the financial statements	0	0%	0	0%
TOTAL	64,413	100%	49,571	100%

6. STATUTORY AUDITOR'S REPORT ON THE INDIVIDUAL FINANCIAL STATEMENTS

Fiscal year ended 31 December 2020

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, 2020, 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, 2020 to the date on which we issued our report. In particular, we did not provide any services prohibited by 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.

<table>
<tr><th colspan="2">(1) Measurement of brands</th></tr>
<tr><td>

Risk identified

Brands acquired by Guillemot Corporation are considered as having an indefinite life; accordingly, they are not amortized.

At December 31, 2020, brands with an indefinite life were recognized in the balance sheet at a net carrying amount of €9.8 million, or 10% of total assets (gross amount: €10.8 million).

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.

Present value is an estimated value and represents the higher of market value and value in use.

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.

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 as a key audit matter.

</td><td>

Audit procedures implemented in response to this risk

In particular, we:

- familiarized ourselves with the processes by which the 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 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.

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".

</td></tr>
</table>

(2) Measurement of development costs	
Risk identified Development costs are recognized in intangible assets whenever the criteria laid down in CRC Regulation 2004-06 are met. At December 31, 2020, net capitalized costs totaled €4.5 million, or 4% of total assets. Project eligibility is reviewed quarterly by the Company's finance and technical departments, in agreement with senior management. In the context of our audit, we pay particularly close attention to these development costs, since their capitalization is based on judgment and estimates, notably as regards the following two criteria: - Technical feasibility of completing the intangible asset before it can be used or sold - How the intangible asset will generate probable future economic benefits 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.	**Audit procedures implemented in response to this risk** In particular, we: - 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. We also assessed the appropriateness of the information provided in Note 5.4.1 to the parent company financial statements, "Intangible assets".

<table>
<tr><th colspan="2">(3) Measurement of inventories of components and finished products</th></tr>
<tr><td>

<u>**Risk identified**</u>

The Company’s inventories consist of electronic components and sub-assemblies as well as finished products.

At December 31, 2020, inventories were recognized in the balance sheet at a net carrying amount of €17.4 million, or 17% of total assets.

Impairment tests are 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.

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.

Given the assumptions underpinning estimates, we considered measurement of the market value of products held in inventory to be a key audit matter.

</td><td>

<u>**Audit procedures implemented in response to this risk**</u>

We:

- 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.

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”.

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</table>

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 for inclusion in the annual financial report

In accordance with section III of Article 222-3 of the AMF's General Regulation, the Company's management informed us of its decision to defer adoption of the European Single Electronic Format, as defined in Commission Delegated Regulation (EU) 2019/815 of December 17, 2018, to fiscal years beginning on or after January 1, 2021. Consequently, this report does not include any conclusion as regards compliance with this format for the presentation of the parent company financial statements for inclusion in the annual financial report referred to in section I of Article L.451-1-2 of the French Monetary and Financial Code.

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, 2020, PricewaterhouseCoopers Audit was serving for its seventeenth consecutive year and MB Audit for its fourteenth consecutive year, 17 and 14 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 can 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 is important to remember, however, that subsequent circumstances or events could endanger 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 the key points of the audit, 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.

Rennes and Bruz, April 23, 2021

The statutory auditors

PricewaterhouseCoopers Audit	MB Audit
Jérôme Mouazan	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

From the boom in arcade games to rapid growth in home consoles and PC games, video games have constituted a fast-expanding industry. Despite the crisis resulting from the Covid-19 pandemic, the still fast-growing global video game industry scaled new heights in 2020 *(source: www.clubic.com, December 28, 2020).*

2020 was a particularly good year: according to figures published by www.gamesindustry.biz, video games generated revenue of $174.9 billion (approximately €142.3 billion) in 2020 *(source: www.new-game-plus.fr, January 2, 2021)*.

The video games market as a whole surged 51% in Europe during the first lockdown from March 16 to May 31, 2020 *(source: www.zonebourse.com, January 7, 2021).*

2020 was a landmark year for the gaming industry, with two major events taking place during the period: firstly, the positive effects of lockdown resulting from the Covid-19 pandemic generated very strong consumer demand through the e-commerce channel; and secondly, the release of the next-generation PlayStation 5 and Xbox Series X|S consoles fueled additional demand.

According to Newzoo, there are currently some 2.7 billion gamers worldwide, equating to 35% of the global population in April 2020. Geographically speaking, Asia-Pacific is the number one region with 1.506 billion gamers, equating to 55% of all gamers worldwide. It is also the fastest-growing region in terms of new gamers. In second place is the Europe, Middle East and Africa region with 758 million gamers in April 2020. Latin America comes third, with 259 million gamers (9% of the global population of gamers), ahead of North America, with its 203 million gamers (7% of all gamers worldwide) *(source: www.multimedialaune.com, issue 270, July 2020).*

Also according to Newzoo, the total number of gamers worldwide is set to reach 3 billion by 2023 *(source: www.generation-nt.com, June 28, 2020).*

After two years of weak growth, the Chinese video game market bounced back strongly in 2020, generating revenue of CNY 278.687 billion ($43.14 billion), up 20.71% year on year, according to the 2020 Report on the Chinese Video Games Sector *(source: french.china.org.cn, January 5, 2021).*

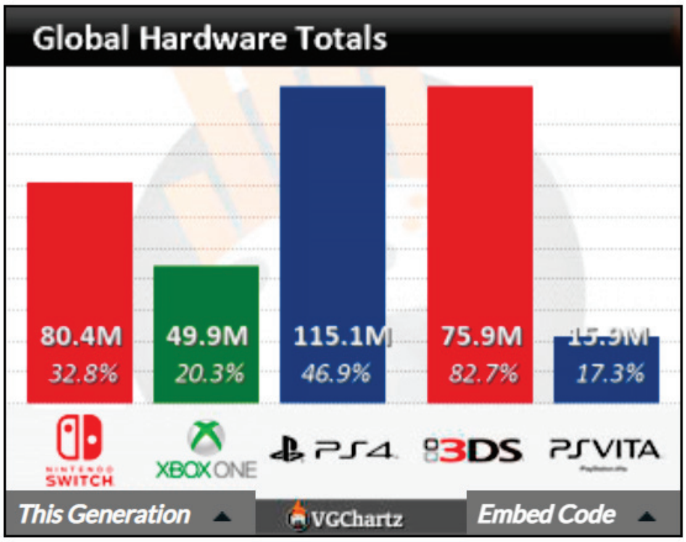
In 2020, 71% of French people played video games at least occasionally, while 52% played regularly, up 3% year on year. Fifty-three percent of regular French gamers are men and 47% women, with an average age of 39, down from 40 in 2019 *(source: www.afjv.com, SELL/Médiamétrie survey "French people and video games", carried out online from September 1 to 24, 2020 among a sample of 4,072 internet users aged 10 and over)*.

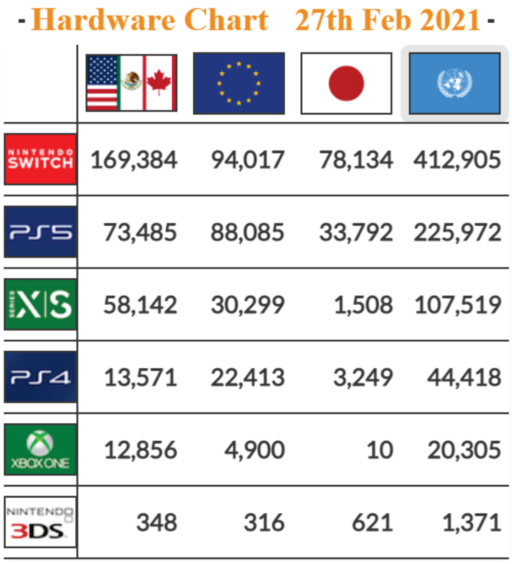
The German video game market generated revenue of €3.7 billion in the first half of 2020, up 27% year on year, with the hardware segment accounting for €1.3 billion, up 21% *(source: www.multimedialaune.com, issue 273, October 2020).*

2. Console market

With 337.2 million consoles at February 27, 2021, including 115.1 million PlayStation®4, 80.4 million Nintendo Switch and 49.6 million Xbox One® consoles, the console market continues to grow rapidly (source: www.vgchartz.com, February 27, 2021).

Installed base of consoles – *excluding new consoles (source: www.vgchartz.com, February 27, 2021)*





- Hardware Chart 27th Feb 2021 -

Nintendo Switch	169,384	94,017	78,134	412,905
PS5	73,485	88,085	33,792	225,972
Series X|S	58,142	30,299	1,508	107,519
PS4	13,571	22,413	3,249	44,418
Xbox One	12,856	4,900	10	20,305
Nintendo 3DS	348	316	621	1,371

The video game console market still consists of two segments: home consoles and portable consoles.

New generations of video game consoles continue to come out, offering brand new capabilities and functionality. There is little in common between the very first console, released in 1972, and the ninth generation of consoles, including the Microsoft Xbox Series X|S and the Sony PlayStation 5, launched worldwide last November. The new Nintendo Switch is set to join the fray in 2021, not forgetting the next-generation Shield from US electronics group NVIDIA.

The very latest gaming consoles have expanded the console ecosystem with the release of the Sony PlayStation®5, released November 2020, and the Microsoft Xbox® Series X, released December 2020. These new consoles will serve as a catalyst and growth driver for all the Group's brands in 2021.

Following its release in November 2020, the Sony PlayStation 5 was soon out of stock in France. Both consoles are currently unavailable from most retailers.

2020 also marked the transition to a new generation of consoles. The arrival of two new next-generation consoles was eagerly awaited, with consumers spending a record $1.4 billion on new gaming consoles in November 2020, up 58% year on year. This growth was driven by the launch of the PlayStation 5 and Xbox Series X|S consoles. Spending on gaming consoles in the full year totaled $4.0 billion, up 34% year on year *(source: www.afjv.com, December 21, 2020).*

The PlayStation 5 racked up the highest sales of any hardware platform by amount spent, while the Nintendo Switch led the market by number of units sold. Right from the month when it was launched, the PlayStation 5 achieved the highest unit and dollar sales of any gaming console in US history. The previous record-holder was the PlayStation 4, launched November 2013. Sony sold 4.5 million PS5 consoles worldwide in 2020. Despite the Covid-19 pandemic, the new home console met with a similar level of success to the PS4 from the moment it was launched. The PlayStation 5 quickly became a victim of its own success, with stocks soon running out *(source: www.phonandroid.com, February 3, 2021).*

The final part of 2020 was a very busy time for next-generation consoles. From November onwards, both Sony and Microsoft had problems meeting demand from users under varying degrees of lockdown. On January 29, 2021, a manager at Microsoft announced that the Xbox Series X console could be out of stock until at least June 2021. The new console is not available to preorder and has been out of stock in stores for many weeks. The US firm is having to contend with supply issues caused by the Covid-19 pandemic and stronger than expected demand. Despite the shortage, Microsoft is not doing so badly. Mike Spencer revealed that the Redmond firm's quarterly video gaming revenue had exceeded $5 billion for the first time *(source: Ouest France, February 2, 2021).*

According to analysis firm Ampere, the console market generated record global revenue of $53.9 billion in 2020 *(source: www.gamesindustry.biz, March 11, 2021)*.

The arrival of new consoles brought new customers to Thrustmaster who wanted to know whether the Group's racing wheels and joysticks were compatible with next-generation consoles before proceeding to buy them. At the same time, the new consoles improved the overall user experience for Thrustmaster users (with much faster loading times) as well as delivering greater realism (with racing and flying games becoming photo-realistic).

3. PC MARKET

The PC market performed well in 2020. As reported by research firms IDC and Gartner, global PC sales bounced back in the second quarter of 2020 after the first quarter was hit by severe logistics problems stemming from the Covid-19 pandemic *(source: www.zdnet.fr, July 10, 2020).*

The PC market had a busier year in 2020, with more than 300 million units sold. According to analysts, the main reasons for this upturn in the global PC market were the public health crisis and lockdown, with remote working and learning forcing households to invest in new hardware, boosting PC sales. PC gamers and hybrid computers also contributed to this record performance. Moreover, this growth was not restricted to computer sales: new hardware purchases also caused smartphone sales to surge from the second quarter of 2020 *(source: https://game-lord.com, January 4, 2021).*

Analysis firm Canalys predicts that the installed base of PCs and tablets will encompass around 1.77 billion devices by the end of 2021, up from 1.64 billion in 2019 *(source: www.01net.com, December 28, 2020).*

4. PC AND CONSOLE ACCESSORIES MARKET

The gaming accessories market notably covers racing wheels, joysticks, gamepads and connected gaming headsets.

In the top five European countries (France, Germany, the United Kingdom, Italy and Spain), the gaming accessories market (covering racing wheels, gamepads and joysticks) grew 31% by value and 21% by volume in 2020. The European country with the strongest growth in the year was the United Kingdom, where the market grew 40% by value *(source: © GfK 2021, all Rights reserved – extract at January 2021).*

4.1 Racing wheels

The release of Project CARS 3 boosted sales of Thrustmaster racing wheels.

In 2020, the US racing wheel market grew 48.4% by value year on year to $66.19 million. Five Thrustmaster racing wheels were among the top ten sellers by value. Thrustmaster had a market share of 39% by value *(source: © 2021 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 2021).*

In the top five European countries of France, Germany, the United Kingdom, Italy and Spain, the racing wheel market grew 57.5% by value to €119 million. Thrustmaster was the number two player in racing wheels, with a market share of 27% by value *(source: © GfK 2021, all rights reserved).*

4.2 Joysticks

When it comes to getting maximum enjoyment from PC and console flight simulation games, joysticks remain a must-have peripheral. A joystick delivers a superior gaming experience when compared with a gamepad or a keyboard and mouse. The layout of the controls must be carefully studied so as to maximize comfort and reduce hand movement. At the same time, in a space where gamers often need to control their flight trajectories with millimeter precision, joysticks must be as precise as possible.

In 2020, the US joystick market grew 16.5% by value to $15.29 million. Thrustmaster was number one by both value and volume, strengthening its position in the segment *(source: © 2021 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 91.3% by value to €21.3 million. Thrustmaster was number one by volume and value, with market shares of 55% and 56% respectively *(source: © GfK 2021, all rights reserved).*

4.3 Gamepads

Gamepads are becoming increasingly popular. With eSports on the rise and gamers becoming ever more demanding, manufacturers have no choice but to offer appropriate upgradeable peripherals.

In 2020, the US gamepad market grew 19.7% by value to $1,458.3 million – equivalent to more than twice the combined size of the market in the top five European countries by volume. Thrustmaster released its ESWAP X PRO CONTROLLER in America in November 2020. The new controller was the number five seller among gamepads costing over $100 in December 2020 by both volume and value, and the number three seller among gamepads costing over $150 (*source: © 2021 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 gamepad market grew 26% by value in 2020 (relative to 2019) to €624.2 million. Germany, France and the United Kingdom accounted for 80.2% of the market in the top five European countries by value. Thrustmaster sales grew 84% by value (*source: © GfK 2021, all rights reserved).*

4.4 Gaming headsets

Gaming headsets continue to gain momentum year after year, buoyed by eSports and multiplayer gaming. The public health crisis has give these trends a further boost, with sales of PC gaming headset up 45% during the March 2020 lockdown. A must-have accessory for gamers and "streamers", the gaming headset is available in a wide variety of designs and at a range of price points and has the benefit of being compatible with all platforms on the market.

In the current environment, gaming headsets are a key accessory, not only for enjoying high-quality audio but also to be able to communicate with other online gamers.

In 2020, the US market for gaming headsets grew 40.67% by value and 29% by volume (*source: © 2021 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

In scarcely more than two decades, eSports has shot from obscurity into the limelight, opening up new horizons for interactive entertainment.

The Covid-19 pandemic has given the already fast-growing eSports sector a significant boost, with gamers forced to stay at home looking to new formats to help pass the time. During the first lockdown in March 2020, the League of Legends and Counter Strike leagues set new audience records in Europe and Asia. According to analysts at Newzoo, the global eSports market generated $1.1 billion in revenue in 2020 *(source: https://siecledigital.fr, January 7, 2021).*

eSports is one of those industries that have proved resilient during the crisis, meeting with increasing success during lockdown. It was estimated that the number of eSports fans in Europe would reach 92 million by the end of 2020, up 7.4% year on year *(source: www.afjv.com, September 18, 2020).*

On its way to becoming a genuine social phenomenon, eSports is an emerging market where revenue, while currently still limited, is growing fast: it could reach €3 billion by 2021, equating to 4% of the video games market, and is set to exceed €10.5 billion by 2030, with annual growth over the period averaging 37.6% *(source: www.afjv.com, October 30, 2017)*. The global audience for eSports is set to grow from 240 million to 410 million in 2021.

The Chinese city of Shanghai recently began construction of a huge arena designed to host eSports competitions, with the aim of becoming the global capital of gaming. China is already the world's largest eSports market: according to specialist research firm Niko Partners, 70% of China's 720 million gamers play electronic sports. In some cases, gaming can even become a genuine addiction, so much so that China has clamped down on access to video games (*source: https://siecledigital.fr, January 7, 2021).*

6. STREAMING AUDIO MARKET

The way people listen to music has changed over the past ten years or so:

- CDs have been relegated to drawers to make way for digital music… and vinyl, with US sales of vinyl records exceeding audio CD sales in the first half of 2020 *(source: Mid-Year 2020 RIAA Revenue Statistics).*
- Unit sales of digital audio tracks and albums continue to decline, though Apple still has its iTunes store despite rumors of its impending closure over the past five years.
- The streaming market, where users pay a flat-rate subscription for unlimited access to audio libraries, is in better shape than ever before.

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 means 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 20th century.

While the streaming market has continued to grow, up 20.7% by value at €212.6 million and with a total of 41 billion streaming listens in the first half of 2020, physical sales have nosedived.

Streaming accounts for:

- 79% of US recorded music revenue in 2020 *(source: MRC Billboard Year-End Report US 2020);*
- 76% of recorded music revenue in France in the first half of 2020 *(source: Multimédia à la Une, issue 272, September 2020).*

According to a Media Research survey on the balance of power between the various streaming platforms, in 2020 streaming services together had 400 million subscribers worldwide, up 30% year on year, with 93 million new subscribers *(source: https://soundandvision.online, June 25, 2020).*

At March 31, 2020, Spotify had 130 million subscribers and 286 million users (Spotify Newsroom), compared with 60 million for Apple Music. Spotify maintains a comfortable lead with a market share of 32%, followed by Apple Music at 18%, Amazon and 14% and Tencent (which operates in the Chinese market) at 11% *(source: https://soundandvision.online, June 25, 2020).*

According to Global Web Index, Generation Z (born after 1997) and millennials (born in the 1980s and 1990s) listen to the most streaming music, listening for an average of 1 hour 45 minutes and 1 hour 30 minutes a day respectively *(source: www.lebureauexport.fr, January 24, 2020).*

Music streaming platforms continue to invest in podcasts. Streaming audio volumes increased sharply in the United Kingdom in 2020 as the British spent more time listening to music during lockdown.

7. HEADPHONE 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.

According to Statista, global headphone sales reached 490 million in 2020, up from 445 million in 2019 *(source: www.statista.com, January 4, 2021).*

Headphones now come in all shapes and sizes, since those designed for one use may be contra-indicated for other uses. For example:

- gaming headsets with large earpieces (for maximum immersion) are not suitable for use on public transport, where compact headphones are preferable;
- hi-fi headphones for audiophiles, with open earpieces (to ensure listeners can still hear if, for example, someone rings the doorbell) are no good for DJs, home studio users and musicians, who need complete sound isolation.

Advances in Bluetooth headphones have energized the headphone market, which is growing faster than the audio equipment market as a whole.

8. DIGITAL DJ MARKET

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 can be divided into two streams:

- Big-budget products intended for public events and clubs
- Consumers wanting to try their hand at DJing and hold their own private parties

The market for professional DJ equipment had a tough year in 2020, with clubs and concert halls shuttered.

Music stores opening hours were shortened as a result of the Covid-19 crisis. This reduced their weighting in surveys, which in turn meant they took part in fewer surveys, resulting in fewer market indicators.

US website MI Salestrack highlighted this change, showing that even as sales of live performance equipment declined, stay-at-home orders fueled increased demand for “play-at-home” instruments, translating into strong sales of musical equipment for home use (source: https://msretailer.com/mi-salestrak-reveals-month-by-month-market-changes-during-pandemic).

Hercules DJ, whose DJ controllers are frequently used in the home – particularly the *DJControl Inpulse* range, with its mixing aids geared towards helping beginners – saw sales increase sharply in 2020.

The shortage of numerical data is mainly due to the fact that at times of crisis, data providers themselves have little data, with very few clients buying their research, resulting in fewer market research surveys.

➢ COMBINED SHAREHOLDERS' GENERAL MEETING OF MAY 27, 2021

1. AGENDA

- Within the remit 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, 2020
- Appropriation of parent company earnings for the fiscal year ended December 31, 2020
- Approval of the consolidated financial statements for the fiscal year ended December 31, 2020
- 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, 2020 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, 2020 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, 2020 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, 2020 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, 2020 to Christian Guillemot, Deputy Chief Executive Officer
- Approval of disclosures about compensation payable to executive officers referred to 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
- 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 remit of the Extraordinary General Meeting

- Report by the Board of Directors
- Statutory auditors' reports
- Authorization to be granted to the Board of Directors to reduce the Company's share capital by retiring shares of the company
- Power to be 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
- Power to be 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
- Power to be 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
- Authorization to be 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

- Authorization to be granted to the Board of Directors to increase the amount of any issues that might be agreed pursuant to Resolutions 15, 16 and/or 17, in the event that they are oversubscribed
- Power to be granted to the Board of Directors to increase the share capital as consideration for in-kind contributions granted to the company and consisting of equity securities or securities giving access to equity
- Power to be granted to the Board of Directors to carry out increases in the share capital reserved for the members of a company or group employee savings plan
- Authorization to be granted to the Board of Directors to issue shares of the Company to employees and/or executive directors of the Company and/or affiliated companies free of charge
- Authorization to be granted to the Board of Directors to award stock options to employees and/or executive directors of the Company and/or affiliated companies
- Determination of the overall limit on increases in the share capital
- Amendment to Article 14 of the Articles of Incorporation
- Completion of legal formalities following the Extraordinary General Meeting

2. DRAFT RESOLUTIONS

- Within the remit of the Ordinary General Meeting

RESOLUTION 1
(Approval of the parent company financial statements for the fiscal year ended December 31, 2020)
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, 2020, 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, 2020)
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, 2020 in the amount of €17,692,226.49 as follows:

- To clear the accumulated deficit: €1,933,763.93
- To the statutory reserve: €532,388.47
- To other reserves: €11,404,204.09
- For the payment of 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 18, 2021.

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:

	2019	2018	2017
Number of shares	15,287,480	15,287,480	15,004,736
Dividend per share	0	€0.13	0
Total dividend (1) (2)	0	€1,987,372.40	0

(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, 2020)
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, 2020, 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, 2020 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 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, 2020, 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, 2020.

RESOLUTION 6
(Approval of components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2020 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 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, 2020, 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, 2020.

RESOLUTION 7
(Approval of components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2020 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 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, 2020, 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, 2020.

RESOLUTION 8

(Approval of components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2020 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 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, 2020, 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, 2020.

RESOLUTION 9

(Approval of components of compensation paid during or allotted in respect of the fiscal year ended December 31, 2020 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 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, 2020, 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, 2020.

RESOLUTION 10

(Approval of disclosures about compensation payable to executive officers referred to 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, 2020.

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, 2020.

RESOLUTION 12

(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 to ensure liquidity in 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 share liquidity agreements 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 of any 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 that meeting, notably where such transaction is in keeping with a market practice that comes to be accepted 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 set at €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 required action.

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 June 4, 2020.

RESOLUTION 13
(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 remit of the Extraordinary General Meeting

RESOLUTION 14
(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 12 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 cancels the authorization granted at the shareholders' general meeting of June 4, 2020.

RESOLUTION 15

(Power to be 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)

Having familiarized themselves with the report by the Board of Directors and the statutory auditors' special report, and in accordance with the provisions of Articles L.225-129ff. of the French Commercial Code, in particular Articles L.225-129-2, L.225-132 and L.22-10-49ff., and Articles L.228-91ff. of that code, the shareholders, voting under the quorum and majority requirements applicable to extraordinary general meetings:

(1) Delegate to the Board of Directors power to decide, if it sees fit, to issue, on one or more occasions, in the proportions and at the times it sees fit, with pre-emptive subscription rights for existing shareholders:

- ordinary shares of the Company; and/or
- equity securities giving immediate and/or future access to other equity securities of the Company or entitling the holder to an allocation of debt instruments; and/or
- securities giving access to equity securities of the Company to be issued.

It should be noted that the aforementioned shares, equity securities and other securities may be issued either free of charge or for consideration, in France or abroad, in euros, foreign currency or any other unit of account established with reference to more than one currency;

(2) Agree to set the overall limit on increases in the share capital that may be carried out under this delegation at a maximum nominal total amount of €8 million, with the proviso that this limit shall apply to all increases in the share capital that might be carried out under Resolutions 16 and 17 put to the vote at this shareholders' general meeting, and that it shall not take into account the nominal value of any ordinary shares that might be issued to protect the holders of rights attaching to securities giving access to the Company's equity;

(3) Agree that the maximum total nominal amount of debt instruments giving access to equity securities of the Company that might be issued under this delegation may not exceed €15 million, or the equivalent thereof if issued in foreign currency or in a unit of account established by reference to more than one currency, with the proviso that this amount shall apply to all debt instruments giving access to equity securities of the Company that might be issued under Resolutions 16 and 17 put to the vote at this shareholders' general meeting;

(4) Agree that, since shareholders have, in proportion to the amount of their existing shares, a pre-emptive right to subscribe for securities that might be issued under this delegation, the Board of Directors shall also have the power to institute the right to subscribe for excess securities in proportion to the subscription rights held by shareholders, up to the amount requested by the latter. Where pre-emptive and, as the case may be, excess subscriptions have failed to absorb the full amount of any increase in the share capital, the Board of Directors may make use of any of the following powers, alone or in combination, under the conditions laid down in law and in whatever order it sees fit:

- Power to limit the amount of the increase in the share capital to the amount of subscriptions, provided the latter is at least three-quarters of the agreed amount of the increase in the share capital
- Power to freely apportion some or all of any unsubscribed shares, equity securities or other securities
- Power to offer to the public some or all of any unsubscribed shares, equity securities or other securities

(5) Note that this delegation entails the waiver by shareholders, in favor of the holders of any securities giving access to capital that might be issued, of their pre-emptive right to subscribe for the equity securities to which those securities confer rights;

(6) Agree that the Board of Directors shall have all powers, with the option to subdelegate those powers under the conditions laid down in legislation and regulations, to implement this delegation, notably with the effect of: stipulating the conditions of each issue; determining the dates and terms of each issue as well as the form and characteristics of shares, equity securities and other securities to be issued; deciding, in the event of an issue of debt instruments giving access to equity securities of the Company, whether or not those instruments are subordinated, their coupon rate, duration, redemption price and other terms of issuance and repayment in keeping with market conditions, and with the conditions under which those instruments will give access to equity securities of the Company; determining the issue price of shares, equity securities and other securities to be issued; determining the amounts to be issued, subscription dates and vesting dates (even retroactive) of securities to be issued and how they are to be paid up; determining the terms of exercise of

rights attaching to equity securities or other securities to be issued and stipulating, where applicable, the conditions of their redemption on the market as well as the possibility of suspending the exercise of those rights; determining the terms under which the rights of holders of equity securities or other securities giving access to the Company's equity will be protected, in accordance with legal and regulatory provisions; charging costs arising in connection with increases in the share capital against the amount of associated premiums and deducting from those premiums any amounts required to bring the statutory reserve up to one-tenth of the total share capital after each increase; more generally, taking all necessary steps and precautions and entering into any agreement for the purpose of successfully concluding the planned issues; and certifying the completion of each increase in the share capital and amending the Articles of Incorporation accordingly;

(7) Set the period during which the Board of Directors may make use of this delegation at 26 months with effect from the date of this shareholders' general meeting.

RESOLUTION 16

(Power to be 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)

Having familiarized themselves with the report by the Board of Directors and the statutory auditors' special report, and in accordance with the provisions of Articles L.225-129ff. of the French Commercial Code, in particular Articles L.225-129-2, L.225-135 and L.225-136, and Articles L.22-10-49ff. of the French Commercial Code, in particular Articles L.22-10-51, L.22-10-52 and L.228-91, the shareholders, voting under the quorum and majority requirements applicable to extraordinary general meetings:

(1) Delegate to the Board of Directors power to decide, if it sees fit, in the context of 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, to issue, on one or more occasions, in the proportions and at the times it sees fit, without pre-emptive subscription rights for existing shareholders:

- ordinary shares of the Company; and/or
- equity securities giving immediate and/or future access to other equity securities of the Company or entitling the holder to an allocation of debt instruments; and/or
- securities giving access to equity securities of the Company to be issued.

It should be noted that the aforementioned shares, equity securities and other securities may be issued in France or abroad, in euros, foreign currency or any other unit of account established with reference to more than one currency;

(2) Agree to set the overall limit on increases in the share capital that may be carried out under this delegation at a maximum nominal total amount of €8 million, with the proviso that this limit shall apply to all increases in the share capital that might be carried out under Resolutions 15 and 17 put to the vote at this shareholders' general meeting, and that it shall not take into account the nominal value of any ordinary shares that might be issued to protect the holders of rights attaching to securities giving access to the Company's equity;

(3) Agree that the maximum total nominal amount of debt instruments giving access to equity securities of the Company that might be issued under this delegation may not exceed €15 million, or the equivalent thereof if issued in foreign currency or in a unit of account established by reference to more than one currency, with the proviso that this amount shall apply to all debt instruments giving access to equity securities of the Company that might be issued under Resolutions 15 and 17 put to the vote at this shareholders' general meeting;

(4) Agree to withdraw shareholders' pre-emptive right to subscribe for shares, equity securities and other securities to be issued, albeit while allowing the Board of Directors the option to assess whether or not shareholders should be granted a priority subscription window for all or part of each issue, under conditions to be determined by the Board and in accordance with applicable legal and regulatory provisions. Such priority windows shall not give rise to the creation of negotiable rights but may, if the Board of Directors sees fit, be exercised as of right and/or in relation to any excess securities issued;

(5) Agree that, where the full amount of any increase in the share capital is not absorbed by subscriptions, including by existing shareholders, the Board of Directors may make use of either or both of the following powers, under the conditions laid down in law and in whatever order it sees fit:

- Power to limit the amount of the increase in the share capital to the amount of subscriptions, provided the latter is at least three-quarters of the agreed amount of the increase in the share capital
- Power to freely apportion some or all of any unsubscribed shares, equity securities or other securities

(6) Note that this delegation entails the waiver by shareholders, in favor of the holders of any securities giving access to capital that might be issued, of their pre-emptive right to subscribe for the equity securities to which those securities confer rights;

(7) Agree that:

- the issue price of shares shall be at least equal to the minimum laid down in applicable legislation and regulations at the time at which this delegation is used (i.e., as an indication, no less than the weighted average price over the last three trading days preceding the start date of the public offering period as defined in Regulation (EU) No. 2017/1129 of June 14, 2017, less a potential discount of no more than 10%) after correcting this amount to reflect any difference in vesting date; and
- the issue price of other securities shall be determined such that the amount immediately received by the Company plus any amount that may subsequently be received by it is, for each ordinary share issued as a result of the issuance of those securities, at least equal to the minimum price referred to in the previous paragraph;

(8) Agree that the Board of Directors shall have all powers, with the option to subdelegate those powers under the conditions laid down in legislation and regulations, to implement this delegation, notably with the effect of: stipulating the conditions of each issue; determining the dates and terms of each issue as well as the form and characteristics of shares, equity securities and other securities to be issued; deciding, in the event of an issue of debt instruments giving access to equity securities of the Company, whether or not those instruments are subordinated, their coupon rate, duration, redemption price and other terms of issuance and repayment in keeping with market conditions, and with the conditions under which those instruments will give access to equity securities of the Company; determining the issue price of shares, equity securities and other securities to be issued; determining the amounts to be issued, subscription dates and vesting dates (even retroactive) of securities to be issued and how they are to be paid up; determining the terms of exercise of rights attaching to equity securities or other securities to be issued and stipulating, where applicable, the conditions of their redemption on the market as well as the possibility of suspending the exercise of those rights; determining the terms under which the rights of holders of equity securities or other securities giving access to the Company’s equity will be protected, in accordance with legal and regulatory provisions; charging costs arising in connection with increases in the share capital against the amount of associated premiums and deducting from those premiums any amounts required to bring the statutory reserve up to one-tenth of the total share capital after each increase; more generally, taking all necessary steps and precautions and entering into any agreement for the purpose of successfully concluding the planned issues; and certifying the completion of each increase in the share capital and amending the Articles of Incorporation accordingly;

(9) Set the period during which the Board of Directors may make use of this delegation at 26 months with effect from the date of this shareholders’ general meeting.

RESOLUTION 17

(Power to be 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)

Having familiarized themselves with the report by the Board of Directors and the statutory auditors’ special report, and in accordance with the provisions of Articles L.225-129ff. of the French Commercial Code, in particular Articles L.225-129-2, L.225-135 and L.225-136, and Articles L.22-10-49ff. of the French Monetary and Financial Code, in particular Article L.22-10-52, and Articles L.228-91ff. of that code, together with the provisions of the first section of Article L.411-2 of the French Monetary and Financial Code, the shareholders, voting under the quorum and majority requirements applicable to extraordinary general meetings:

(1) Delegate to the Board of Directors power to decide, if it sees fit, for up to a maximum of 20% of the share capital per annum, through one or more offerings referred to in the first paragraph of Article L.411-2 of the French Monetary and Financial Code, to issue, on one or more occasions, in the proportions and at the times it sees fit, without pre-emptive subscription rights for existing shareholders:

- ordinary shares of the Company; and/or
- equity securities giving immediate and/or future access to other equity securities of the Company or entitling the holder to an allocation of debt instruments; and/or

- securities giving access to equity securities of the Company to be issued.

It should be noted that the aforementioned shares, equity securities and other securities may be issued in France or abroad, in euros, foreign currency or any other unit of account established with reference to more than one currency;

(2) Agree to set the overall limit on increases in the share capital that may be carried out under this delegation at a maximum nominal total amount of €8 million, with the proviso that this limit shall apply to all increases in the share capital that might be carried out under Resolutions 15 and 16 put to the vote at this shareholders' general meeting, and that it shall not take into account the nominal value of any ordinary shares that might be issued to protect the holders of rights attaching to securities giving access to the Company's equity;

(3) Agree that the maximum total nominal amount of debt instruments giving access to equity securities of the Company that might be issued under this delegation may not exceed €15 million, or the equivalent thereof if issued in foreign currency or in a unit of account established by reference to more than one currency, with the proviso that this amount applies to all debt instruments giving access to equity securities of the Company that might be issued under Resolutions 15 and 16 put to the vote at this shareholders' general meeting;

(4) Agree to withdraw shareholders' pre-emptive subscription rights to shares, equity securities and other securities to be issued;

(5) Agree that, where the full amount of any increase in the share capital is not absorbed by subscriptions, including by existing shareholders, the Board of Directors may make use of either or both of the following powers, under the conditions laid down in law and in whatever order it sees fit:

- Power to limit the amount of the increase in the share capital to the amount of subscriptions, provided the latter is at least three-quarters of the agreed amount of the increase in the share capital
- Power to freely apportion some or all of any unsubscribed shares, equity securities or other securities

(6) Note that this delegation entails the waiver by shareholders, in favor of the holders of any securities giving access to capital that might be issued, of their pre-emptive right to subscribe for the equity securities to which those securities confer rights;

(7) Agree that:

- the issue price of shares shall be at least equal to the minimum laid down in applicable legislation and regulations at the time at which this delegation is used (i.e., as an indication, no less than the weighted average price over the last three trading days preceding the start date of the public offering period as defined in Regulation (EU) No. 2017/1129 of June 14, 2017, less a potential discount of no more than 10%) after correcting this amount to reflect any difference in vesting date; and
- the issue price of other securities shall be determined such that the amount immediately received by the Company plus any amount that may subsequently be received by it is, for each ordinary share issued as a result of the issuance of those securities, at least equal to the minimum price referred to in the previous paragraph;

(8) Agree that the Board of Directors shall have all powers, with the option to subdelegate those powers under the conditions laid down in legislation and regulations, to implement this delegation, notably with the effect of: stipulating the conditions of each issue; determining the dates and terms of each issue as well as the form and characteristics of shares, equity securities and other securities to be issued; deciding, in the event of an issue of debt instruments giving access to equity securities of the Company, whether or not those instruments are subordinated, their coupon rate, duration, redemption price and other terms of issuance and repayment in keeping with market conditions, and with the conditions under which those instruments will give access to equity securities of the Company; determining the issue price of shares, equity securities and other securities to be issued; determining the amounts to be issued, subscription dates and vesting dates (even retroactive) of securities to be issued and how they are to be paid up; determining the terms of exercise of rights attaching to equity securities or other securities to be issued and stipulating, where applicable, the conditions of their redemption on the market as well as the possibility of suspending the exercise of those rights; determining the terms under which the rights of holders of equity securities or other securities giving access to the Company's equity will be protected, in accordance with legal and regulatory provisions; charging costs arising in connection with increases in the share capital against the amount of associated premiums and deducting from those premiums any amounts required to bring the statutory reserve up to one-tenth of the total

share capital after each increase; more generally, taking all necessary steps and precautions and entering into any agreement for the purpose of successfully concluding the planned issues; and certifying the completion of each increase in the share capital and amending the Articles of Incorporation accordingly;

(9) Set the period during which the Board of Directors may make use of this delegation at 26 months with effect from the date of this shareholders' general meeting.

RESOLUTION 18

(Authorization to be 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)

Having familiarized themselves with the report by the Board of Directors and the statutory auditors' special report, and in accordance with the provisions of the second paragraph of Article L.22-10-52 of the French Commercial Code, the shareholders, voting under the quorum and majority requirements applicable to extraordinary general meetings:

1) Authorize the Board of Directors, if it makes use of the powers covered by Resolution 15 and/or 16, to diverge from the conditions for determining the issue price laid down in Article R.22-10-32 of the French Commercial Code, for up to a maximum of 10% of the share capital per annum, which percentage shall apply to the adjusted capital taking into account any transactions that may affect it subsequent to the date of this shareholders' general meeting, and to set the issue price of equity securities to be issued, whether immediately or in the future, at no less than the weighted average price over the previous three trading days, less a potential discount of no more than 15%;

2) Agree that the nominal amount of any increases in the share capital decided upon under this resolution shall count toward the aggregate limit laid down in Resolution 24 to be put to the vote at this meeting;

3) Set the period during which the Board of Directors may make use of this authorization at 26 months with effect from the date of this shareholders' general meeting;

4) Agree that the Board of Directors shall have all powers, with the option to subdelegate those powers under the conditions laid down in legislation and regulations, to implement this authorization.

RESOLUTION 19

(Authorization to be granted to the Board of Directors to increase the amount of any issues that might be agreed pursuant to Resolutions 15, 16 and/or 17, in the event that they are oversubscribed)

Having familiarized themselves with the report by the Board of Directors and the statutory auditors' special report, and in accordance with the provisions of Article L.225-135-1 of the French Commercial Code, the shareholders, voting under the quorum and majority requirements applicable to extraordinary general meetings:

1) Authorize the Board of Directors, if it makes use of the powers covered by Resolutions 15, 16 and/or 17 and if the relevant issues are oversubscribed, to increase the number of securities to be issued, while abiding by the provisions of Article R.225-118 of the French Commercial Code;

2) Agree that the nominal amount of any increases in the share capital decided upon under this resolution shall count toward the aggregate limit laid down in Resolution 24 to be put to the vote at this meeting;

3) Set the period during which the Board of Directors may make use of this authorization at 26 months with effect from the date of this shareholders' general meeting;

4) Agree that the Board of Directors shall have all powers, with the option to subdelegate those powers under the conditions laid down in legislation and regulations, to implement this authorization.

RESOLUTION 20

(Power to be granted to the Board of Directors to increase the share capital as consideration for in-kind contributions granted to the company and consisting of equity securities or securities giving access to equity)

Having familiarized themselves with the report by the Board of Directors and the statutory auditors' special report, and in accordance with the provisions of Article L.225-147 and L.22-10-53 of the French Commercial Code, the shareholders, voting under the quorum and majority requirements applicable to extraordinary general meetings:

(1) Delegate to the Board of Directors all powers to carry out, based on the report by the capital contributions auditor referred to in Article L.225-147 of the French Commercial Code, one or more increases in the Company's share capital, by issuing ordinary shares and/or other securities giving immediate or future access to the Company's equity, in consideration for in-kind contributions to the Company consisting of securities giving access to equity, where the provisions of Article L.22-10-54 do not apply;

(2) Agree to withdraw shareholders' pre-emptive right to subscribe for securities issued by the Company in consideration for those in-kind contributions, in favor of the holders of the securities thus contributed;

(3) Agree to set the maximum nominal amount of increases in the share capital that might be carried out under this delegation, immediately and/or in the future, at 10% of 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 this meeting;

(4) Note that this delegation entails the waiver by shareholders of their pre-emptive right to subscribe for equity securities to which securities issued under this delegation confer rights;

(5) Agree that the Board of Directors shall have all powers, with the option to subdelegate those powers under the conditions laid down in legislation and regulations, to implement this delegation, notably with the effect of: laying down the conditions of the issue; drawing up a list of equity securities or other securities contributed; determining the type and number of shares or other securities to be issued, their characteristics and the terms of their issuance; determining the terms under which, where applicable, the rights of holders of securities giving access to the company's equity shall be protected; ruling, on the basis of report(s) by the capital contributions auditor referred to in Article L.225-147 of the French Commercial Code, on the valuation of contributions and the granting of special benefits; charging costs arising in connection with increases in the share capital against the amount of associated premiums and deducting from those premiums any amounts required to bring the statutory reserve up to one-tenth of the total share capital after each increase; certifying the completion of each increase in the share capital and amending the Articles of Incorporation accordingly; and, more generally, undertaking all formalities and declarations and requesting all authorizations needed to complete such contributions;

(6) Set the period during which the delegation covered by this resolution shall be valid at 26 months with effect from the date of this meeting.

RESOLUTION 21

(Power to be granted to the Board of Directors to carry out increases in the share capital reserved for the members of a company or group employee savings plan)

Having familiarized themselves with the report by the Board of Directors and the statutory auditors' special report, and in accordance with the provisions of Articles L.225-129ff. of the French Commercial Code, in particular Articles L.225-129-2, L.225-129-6, L.225-138 and L.225-138-1, together with Articles L.3332-1ff. of the French Labor Code, the shareholders, voting under the quorum and majority requirements applicable to extraordinary general meetings:

(1) Delegate to the Board of Directors power to carry out, if it sees fit, one or more increases in the Company's share capital, in the proportions and at the times it sees fit, by issuing equity securities or other securities giving access to the Company's equity, reserved for salaried employees of the Company and/or of companies covered by Article L.225-180 of the French Commercial Code, under the terms of a company or group employee savings plan;

(2) Agree to withdraw shareholders' pre-emptive right to subscribe for equity securities or other securities giving access to the Company's equity to be issued, in favor of members of the employee savings plan;

(3) Set the period during which this resolution shall be valid at 26 months with effect from the date of this meeting;

(4) Agree that the total nominal amount of increases in the share capital carried out under this delegation may not exceed 2% of the Company's share capital at the date of the decision by the Board of Directors;

(5) Agree that the subscription price of equity securities or other securities giving access to equity issued under the terms of this delegation shall be determined by the Board of Directors in accordance with the provisions of Articles L.3332-18 to L.3332-24 of the French Labor Code;

(6) Grant all powers to the Board of Directors to implement this delegation, and in particular to: stipulate the terms of each issue; determine the terms of allocation, in accordance with legal conditions, including conditions on length of ownership; draw up a list of beneficiaries and determine the number of equity securities or other securities giving access to the Company's equity for which beneficiaries may subscribe; determine, within legal limits, the issue price of equity securities or other securities giving access to the Company's equity, as well as the periods during which beneficiaries may exercise their rights; determine the number of equity securities or other securities giving access to the Company's equity to be released, the duration of the subscription period and the vesting date of equity securities or other securities giving access to the Company's equity; determine how and when equity securities or other securities giving access to the Company's equity must be paid up; certify the completion of increases in the share capital and amend the Articles of Incorporation accordingly; charge costs arising in connection with increases in the share capital against the amount of associated premiums and deduct from those premiums any amounts required to bring the statutory reserve up to one-tenth of the total share capital after each increase; and, more generally, carry out all formalities and take all necessary steps to complete increases in the share capital.

RESOLUTION 22
(Authorization to be granted to the Board of Directors to issue shares of the Company to employees and/or executive directors of the Company and/or affiliated companies free of charge)
Having familiarized themselves with the report by the Board of Directors and the statutory auditors' special report, and in accordance with Articles L.225-197-1ff. and L.22-10-59ff. of the French Commercial Code, the shareholders, voting under the quorum and majority requirements applicable to extraordinary general meetings:

(1) Authorize the Board of Directors, if it sees fit, to issue ordinary shares of the Company, whether already existing or yet to be issued, to salaried employees and/or executive directors of the Company and/or of companies covered by Article L.225-197-2 of the French Commercial Code, or to certain categories thereof;

(2) Agree that the percentage of the share capital that might be allotted under this authorization may not exceed 2%, calculated as at the date of the Board's decision to allot those shares;

(3) Agree that this authorization, of which the Board of Directors may make use on one or more occasions, shall be granted for a period of 38 months with effect from the date of this meeting;

(4) Agree that shares shall vest to their beneficiaries upon expiry of a vesting period of not less than one year, to be determined by the Board of Directors. However, where the beneficiary is a disabled person falling into the second or third category set out in Article L.341-4 of the French Social Security Code, the Board of Directors is authorized to arrange for the shares to vest before expiry of the vesting period and, for those disabled beneficiaries, shares shall be freely transferable;

(5) Agree that the minimum period for which beneficiaries must hold shares after their vesting date shall be determined by the Board of Directors and may not be less than one year. However, should the Board of Directors establish a vesting period of two years or longer, the Board may waive the mandatory holding period;

(6) Agree that any existing ordinary shares that may be allotted free of charge under this authorization must be acquired by the Company under the terms of Article L.22-10-62 of the French Commercial Code;

(7) Delegate to the Board of Directors power to decide, at its sole discretion, to carry out one or more increases in the share capital by issuing ordinary shares, to be undertaken through the capitalization of reserves, earnings or issue premiums, up to a maximum aggregate limit of 2% of the Company's share capital, after adjusting the share capital to reflect any transactions that might affect it subsequent to the date of this meeting, to be counted proportionately against the aforementioned limit in respect of the percentage of the share capital that may be allotted by the Board of Directors under the terms of this authorization;

(8) Note that this authorization automatically entails the waiver by shareholders, in favor of the beneficiaries of shares allotted free of charge, of their pre-emptive right to subscribe for shares that might be issued in the event of any increases in the share capital through the capitalization of reserves, earnings or share premiums decided upon by the Board of Directors under the terms of this authorization, and of any fraction of reserves, earnings or issue premiums thus capitalized, subject to the aforementioned shares vesting to the beneficiaries upon expiry of the vesting period;

(9) Delegate all powers to the Board of Directors, within the limits laid down in legislation and regulations and within the limits set out above, to implement this delegation, and in particular to: determine whether shares to be issued free of charge are existing shares or shares yet to be issued; determine the terms and, where

applicable, criteria for the allotment of shares; determine the allotment date, vesting period and, where applicable, mandatory holding period of the shares; determine the identity of the beneficiaries of share awards, the number of shares awarded to each beneficiary and the terms of the award; determine the conditions under which the number of shares allotted free of charge shall be adjusted, where applicable, in the event of transactions involving the Company's capital, during the vesting period, so as to maintain beneficiaries' rights; determine the terms of issue of shares to be issued; for any shares that might be allotted to the executive directors, either determine that the recipients may not sell those shares while still in office or determine the quantity of shares they shall be required to hold in registered form as long as they remain in office; take any steps, enter into any agreements and draw up any documents; certify increases in the share capital once shares thus awarded have vested, and amend the Articles of Incorporation accordingly; carry out all legal formalities and make any required declarations to organizations; and, more generally, take any required action.

RESOLUTION 23

(Authorization to be granted to the Board of Directors to award stock options to employees and/or executive directors of the Company and/or affiliated companies)

Having familiarized themselves with the report by the Board of Directors and the statutory auditors' special report, and in accordance with the provisions of Articles L.225-177ff. and L.22-10-56ff. of the French Commercial Code, the shareholders, voting under the quorum and majority requirements applicable to extraordinary general meetings:

(1) Authorize the Board of Directors, if it sees fit, to grant to the employees and/or executive directors of the Company and/or of companies referred to in Article L.225-180 of the French Commercial Code, or to some of them, options entitling the grantees to subscribe for shares of the Company to be issued by way of an increase in the Company's share capital, up to a maximum total nominal amount of €800,000;

(2) Agree that this authorization, of which the Board of Directors may make use on one or more occasions, shall be granted for a period of 38 months with effect from this meeting;

(3) Agree that the subscription price of shares shall be determined by the Board of Directors on the day on which options are granted. This price may not be less than 80% of the average price quoted over the 20 trading days preceding the day on which the options are granted;

(4) Agree that the subscription price of shares may not be amended during the option period. However, should the Company undertake any capital transaction referred to in Article L.225-181 of the French Commercial Code, the Board of Directors shall take any action required to protect the interests of beneficiaries of options under the conditions laid down in legislation and regulations;

(5) Agree that the period during which options may be exercised shall not exceed ten years from the date on which they are granted;

(6) Agree that the Board of Directors may decide to prohibit the immediate resale of some or all shares, with the proviso that the mandatory holding period may not exceed three years from the date on which the option is exercised;

(7) Note that this authorization entails the express waiver, in favor of the beneficiaries of options, of shareholders' pre-emptive right to subscribe for shares to be issued as and when options are exercised;

(8) Delegate all powers to the Board of Directors to determine, within legal and regulatory limits, and within the limits laid down above, the conditions under which options are to be granted, and in particular to: determine the dates on which options are to be granted; determine individual beneficiaries or categories of beneficiaries of options, as it deems most appropriate to build motivation and loyalty among those beneficiaries; determine the number of shares to be allotted to each beneficiary; determine the conditions of exercise of options; determine the periods during which options may be exercised; determine the validity period of options; determine, where applicable, the holding period of options; certify increases in the share capital resulting from the exercise of options to subscribe for shares; make corresponding amendments to the Articles of Incorporation; charge the costs associated with increases in the share capital to the relevant premium accounts and deduct from such premium accounts any amounts required to bring the statutory reserve up to one-tenth of the new share capital after each increase; and, more generally, complete all formalities and take all required action to implement this authorization.

RESOLUTION 24

(Determination of the overall limit on increases in the share capital)

Having familiarized themselves with the report by the Board of Directors, the shareholders, voting under the quorum and majority requirements applicable to extraordinary general meetings, agree, in accordance with the provisions of Article L.225-129-2 of the French Commercial Code, to set the overall maximum nominal amount of increases in the share capital that might be undertaken, immediately or in the future, by virtue of powers, authorities and/or authorizations delegated under the terms of Resolutions 15, 16, 17, 18, 19, 20, 21, 22 and 23 put to the vote at this meeting, at €8 million, with the proviso that this limit shall not take into account the nominal amount of any equity securities to be issued to protect the holders of rights attaching to securities giving access to the Company's equity.

RESOLUTION 25
(Amendment to Article 14 of the Articles of Incorporation)
Having familiarized themselves with the report by the Board of Directors, the shareholders, voting under the quorum and majority requirements applicable to extraordinary general meetings, agree to amend Article 14 of the Company's Articles of Incorporation as follows:

Old wording	New wording
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. Shareholders' general meetings shall take place at the Company's headquarters or any other location specified in the notice of meeting. They shall be chaired by the Chairman of the Board of Directors or, in his or her absence, by a director appointed by the shareholders for such purpose. All shareholders shall have the right, upon proof of identity, to participate in shareholders' general meetings, whether by attending them in person, submitting a completed postal ballot form or appointing a proxy. 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.	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. Shareholders' general meetings shall take place at the Company's headquarters or any other location specified in the notice of meeting. They shall be chaired by the Chairman of the Board of Directors or, in his or her absence, by a director appointed by the shareholders for such purpose. 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 a proxy 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 way of videoconference 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.

RESOLUTION 26

(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, 2020 and to ask you to vote on resolutions intended to delegate powers or grant authorizations to the Board of Directors and amend the Company's Articles of Incorporation.

Resolutions 1, 2, 3 and 4 concern the financial statements for the fiscal year ended December 31, 2020, 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 €17,692,226.49, which we propose be appropriated as follows:

  - To clear the accumulated deficit: €1,933,763.93
  - To the statutory reserve: €532,388.47
  - To other reserves: €11,404,204.09
  - For the payment of dividends: €3,821,870.00

- Approval of regulated agreements in force during the fiscal year ended December 31, 2020 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, 2020 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, which is appended to the management report.

Resolution 10 asks you to approve disclosures about compensation payable to executive officers referred to 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, which is 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 2020.

Resolution 12 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 share liquidity agreement that complies with the decision by the Autorité des Marchés Financiers (AMF) to consider liquidity agreements on shares 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 by the AMF.

The Board would be authorized 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, using any means, 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 13 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 Ordinary General Meeting.

Resolution 14 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 12 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.

Resolutions 15, 16 and 17 ask you to grant the Board of Directors powers to decide, if it sees fit, to issue:

- ordinary shares of the Company; and/or
- equity securities giving immediate and/or future access to other equity securities of the Company or entitling the holder to an allocation of debt instruments; and/or
- securities giving access to equity securities of the Company to be issued.

While the Board of Directors has no immediate plans to carry out such issues, it would like to have such powers at its disposal so that, for example, it can, if necessary, increase the Company's share capital to support growth in Guillemot Corporation's business or improve its financial position. Such delegated powers would allow the Board greater flexibility to carry out such issues and give the Company more control over their timing.

We therefore ask you to grant the Board of Directors powers to decide, if it sees fit, to carry out one or more issues:

- with pre-emptive subscription rights, whether free of charge or for consideration, up to a maximum total increase in the share capital of €8 million (Resolution 15);

- without pre-emptive subscription rights, through a public offering (excluding offerings referred to in the first paragraph of Article L.411-2 of the French Monetary and Financial Code), up to a maximum total increase in the share capital of €8 million, with the proviso that the Board would have the power to assess whether or not shareholders should be granted a priority subscription window (Resolution 16); and/or

- without pre-emptive subscription rights, notably through one or more offerings referred to in the first paragraph of Article L.411-2 of the French Monetary and Financial Code, i.e. for qualified investors or a restricted group of investors, for a maximum of 20% of the share capital per annum, up to a maximum total increase in the share capital of €8 million (Resolution 17).

The aggregate limit on increases in the share capital that might be carried out, immediately and/or in the future, under Resolutions 15, 16 and 17 may not exceed a total nominal amount of €8 million, to which amount may be added, as the case may be, the nominal amount of any additional shares to be issued to protect the holders of rights attaching to securities giving access to the Company's equity.

The maximum nominal amount of debt instruments giving access to equity securities that might be issued under Resolutions 15, 16 and 17 may not exceed €15 million.

As regards issues with pre-emptive subscription rights that may be decided by virtue of the delegation that is the subject of Resolution 15, you are asked to grant the Board the power to introduce excess subscription rights in favor of shareholders who subscribe for more than the number of shares for which they would be able to subscribe on a pre-emptive basis, in proportion to the number of subscription rights they hold, and in any event up to an amount not exceeding the amount requested. In the event that pre-emptive and, as the case may be, excess subscriptions fail to absorb the full amount of the increase in the share capital, the Board of Directors may make use of any of the following powers, alone or in combination, in whatever order it sees fit:

- Power to limit the amount of the increase in the share capital to the amount of subscriptions, provided the latter is at least three-quarters of the agreed amount of the increase in the share capital
- Power to freely apportion some or all of any unsubscribed shares, equity securities or other securities
- Power to offer some or all of any unsubscribed shares, equity securities or other securities to the public

As regards increases in the share capital without pre-emptive subscription rights covered by Resolutions 16 and 17, in the event that subscriptions fail to absorb the full amount of the increase in the share capital, the Board of Directors may make use of either or both of the following powers, in whatever order it sees fit:

- Power to limit the amount of the increase in the share capital to the amount of subscriptions, provided the latter is at least three-quarters of the agreed amount of the increase in the share capital
- Power to freely apportion some or all of any unsubscribed shares, equity securities or other securities

In the event that shares are issued without pre-emptive subscription rights, the issue price of the shares shall be at least equal to the minimum laid down in applicable legislation and regulations at the time at which this delegation is used (i.e., as an indication, no less than the weighted average price over the last three trading days preceding the start date of the public offering period as defined in Regulation (EU) No. 2017/1129 of June 14, 2017, less a potential discount of no more than 10%) after correcting this amount to reflect any difference in vesting date, and the issue price of other securities shall be determined such that the amount immediately received by the Company plus any amount that may subsequently be received by it is, for each ordinary share issued as a result of the issuance of those securities, at least equal to the minimum price referred to above.

Resolutions 15, 16 and 17 are intended to allow the Board the greatest possible flexibility to act in the Company's interest. The Board would have the option of opting for the most favorable types and terms of issue given the wide variety of securities and constant changes on stock markets.

Within the limits laid down in the delegations covered by Resolutions 15, 16 and 17, which would be granted to the Board for 26 months, the Board would have the powers needed to determine the terms of issue, certify the completion of resulting increases in the share capital and amend the Articles of Incorporation accordingly.

Resolution 18 asks you to authorize the Board of Directors to set the issue price of equity securities that might be issued by virtue of powers delegated to the Board under Resolutions 16 and 17, for up to a maximum of 10% of the share capital per annum.

The issue price would be at least equal to the weighted average price over the three trading days preceding the date on which it was set, less a potential discount of no more than 15%.

This authorization would be granted to the Board for a period of 26 months with effect from the date of this meeting.

Resolution 19 asks you to authorize the Board of Directors to increase the amount of issues that could be carried out under Resolutions 15, 16 and 17, if those issues are oversubscribed.

The number of securities could thus be increased within the 30 days following the end of the subscription period, up to a maximum of 15% of the initial issue and at the same price as that used for the initial issue.

This authorization would be granted to the Board for a period of 26 months with effect from the date of this meeting.

Resolution 20 asks you to delegate all powers to the Board of Directors to carry out increases in the share capital, for up to a maximum of 10% of the share capital, as consideration for in-kind contributions to the Company consisting of equity securities or other securities giving access to equity.

While the Board of Directors has no immediate plans to carry out such issues, this resolution would grant the Board all powers, in particular, to: determine the terms of issue; draw up a list of equity securities or other securities to be tendered; determine the nature and number of shares or other securities to be issued in consideration for contributions, their characteristics and the terms of their issuance; approve the valuation of contributions; certify the completion of each increase in the share capital and amend the Articles of Incorporation accordingly; and, more generally, undertake all required formalities and declarations and request all authorizations needed to complete such contributions.

This authorization wound entail the waiver by shareholders, in favor of the holders of securities contributed in kind, of their pre-emptive right to subscribe for equity securities issued by the Company in consideration for those in-kind contributions, and would be granted for a period of 26 months with effect from the date of this meeting.

Resolution 21 asks you to authorize the Board, if it sees fit, to decide to carry out increases in the share capital reserved for salaried employees of the Company and affiliated companies, under the terms of a company or group employee savings plan.

This delegation would entail the express waiver by shareholders, in favor of members of the savings plan, of their pre-emptive right to subscribe for equity securities or other securities giving access to equity that might be issued, and would be granted to the Board of Directors for a period of 26 months with effect from the date of this meeting.

The total nominal amount of increases in the share capital that could be carried out under this delegation may not exceed 2% of the Company's share capital at the date of the decision by the Board of Directors.

The subscription price would be determined by the Board in accordance with the provisions of Articles L.3332-18 to L.3332-24 of the French Labor Code. It may not exceed the average price over the 20 trading days preceding the date of the Board's decision setting the opening date of the subscription period, nor may it be more than 30% below that average, or 40% where the lock-in period laid down in the plan pursuant to Articles L.3332-25 and L.3332-26 is greater than or equal to ten years.

This resolution would grant all powers to the Board to carry out, on one or more occasions, increases in the share capital reserved for the members of a company or group employee savings plan, to determine the terms of issue and the terms of allocation, to certify increases in the share capital and to amend the Articles of Incorporation accordingly.

Resolution 22 asks you to authorize the Board, if it sees fit, to issue ordinary shares of the Company, whether already existing or yet to be issued, to salaried employees and/or executive directors of the Company and/or of affiliated companies, or to some of them, free of charge, so as to give them a greater stake in the Company's future and build loyalty.

The percentage of the share capital that might be allotted free of charge under this authorization may not exceed 2% at the date of the Board's decision to allot those shares.

This authorization, of which the Board of Directors would be able to make use on one or more occasions, would be granted for a period of 38 months with effect from this meeting.

Shares would vest to their beneficiaries upon expiry of a vesting period the minimum duration of which would be determined by the Board and may not be less than one year, with the proviso that, where the beneficiary is a disabled person, the Board of Directors would be authorized to arrange for the shares to vest before expiry of the vesting period and, for those disabled beneficiaries, shares shall would freely transferable.

The minimum period for which beneficiaries must hold shares after their vesting date would be determined by the Board and may not be less than one year, with the proviso that, should the Board stipulate a vesting period of two years or longer, the Board may remove the requirement to hold the shares for a specified holding period.

Shares to be allotted free of charge may be existing shares previously bought back by the Company to that end under a share buyback program, and/or new shares issued in connection with an increase in the share capital to be carried out by capitalizing reserves, earnings or premiums. As such, you are asked to delegate power to the Board of Directors to decide to carry out such increases in the share capital, for up to a maximum aggregate limit of 2% of the Company's share capital. This limit on increases in the share capital would count proportionately toward the limit on the percentage of the Company's share capital that might be allocated free of charge under this authorization. This authorization would automatically entail the waiver by the shareholders of their pre-emptive right to subscribe for new shares that might be issued in the event of any increases in the share capital through the capitalization of reserves, earnings or share premiums decided upon by the Board under the terms of this authorization, subject to those free shares vesting to the beneficiaries upon expiry of the vesting period.

You are therefore asked to pass a resolution granting the Board all powers, within the limits laid down above and subject to legal and regulatory limits, to implement this authorization and, in particular, to determine the terms of allocation of free shares and the terms of issue of shares to be issued, and, as the case may be, to certify increases in the share capital once shares have vested and amend the Articles of Incorporation accordingly.

Resolution 23 asks you to authorize the Board, if it sees fit, to grant stock options to the employees and/or executive directors of the Company and/or affiliated companies, or to some of them, so as to give them a greater stake in the Company's future and build loyalty.

This authorization, of which the Board of Directors would be able to make use on one or more occasions, would be granted for a period of 38 months with effect from this meeting. It would entail the express waiver, in favor of the beneficiaries of options, of shareholders' pre-emptive right to subscribe for shares to be issued as and when options are exercised.

The stock options would entitle the holder to subscribe for new shares to be issued by way of an increase in the Company's share capital, for up to a maximum total nominal amount of €800,000.

The subscription price would be determined by the Board of Directors on the day on which options are granted and may not be less than 80% of the average price quoted over the 20 trading days preceding the day on which the options are granted.

The period during which options may be exercised may not exceed ten years from the date on which they are granted.

You are therefore asked to pass a resolution granting the Board all powers to determine, within legal and regulatory limits and the limits set out above, the conditions under which options would be granted and exercised and the periods during which those options may be exercised, to certify increases in the share capital resulting from the exercise of options and to amend the Articles of Incorporation accordingly.

Resolution 24 asks you to set the overall maximum nominal amount of increases in the share capital that might be undertaken, immediately or in the future, by virtue of powers, authorities and/or authorizations delegated to the Board of Directors under the terms of Resolutions 15, 16, 17, 18, 19, 20, 21, 22 and 23 put to the vote at this meeting at €8 million, with the proviso that this limit shall not take into account the nominal amount of any equity securities that might be issued to protect the holders of rights attaching to securities giving access to the Company's equity.

Resolution 25 asks you to agree to amend Article 14 of the Company's Articles of Incorporation such that, by decision of the Board of Directors, the shareholders may participate in and vote at shareholders' general meetings using electronic means of telecommunication.

Resolution 26 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 24, 2021

The Board of Directors

4. STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

Shareholders' general meeting to approve the financial statements for the fiscal year ended December 31, 2020

The Shareholders
Guillemot Corporation
Place du Granier
BP 97143
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 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.

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 the liabilities of Guillemot Limited at December 31, 2019 (totaling £4,312) until such time as those liabilities are settled in full.

This agreement was authorized by the Board of Directors on April 29, 2020.

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 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.

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, to continue to operate in the United Kingdom.

Terms: confirmation of the intention 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.

This agreement was authorized by the Board of Directors on April 29, 2020.

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. This agreement was approved by the Board of Directors on August 20, 2007.

Terms: rental payments received in the fiscal year totaled €112,116.00 excluding taxes.

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. This agreement was authorized by the Board of Directors on October 24, 2012.

Terms: rental payments received in the fiscal year totaled €53,120.00 excluding taxes.

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. This agreement was authorized by the Board of Directors on July 1, 2010. The annual rental is set at €47,310 excluding taxes.

Terms: rental payments received in the fiscal year totaled €47,310 excluding taxes.

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 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, was signed on March 28, 2012. This agreement was authorized by the Board of Directors on March 28, 2012. The annual rental is set at €9,213 excluding taxes.

Terms: rental payments received in the fiscal year totaled €9,213 excluding taxes.

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. This agreement was authorized by the Board of Directors on October 24, 2012.

Terms: rental payments received in the fiscal year totaled €2,241.00 excluding taxes.

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 support 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 April 30, 2019, 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, 2018 subjected to a statutory audit.

Terms: guarantees the liabilities of Guillemot Limited at December 31, 2018 (totaling £5,694) until such time as those liabilities are settled in full.

This agreement was authorized by the Board of Directors on April 24, 2019.

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 April 30, 2019, 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.
Terms: confirmation of the intention 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, 2018 were approved.

This agreement was authorized by the Board of Directors on April 24, 2019.

9 - Membership of the compulsory 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 €846 excluding taxes.

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.

Rennes and Bruz, April 23, 2021

The statutory auditors

PricewaterhouseCoopers Audit	MB Audit
Jérôme Mouazan	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 (*société anonyme*) 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 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, France).

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

Guillemot Corporation S.A. has not adopted any formal dividend policy to date.

It plans to pay dividends to its shareholders as long as the requisite financial conditions are met.

Dividends were paid for the first time in 2019 in respect of fiscal year 2018 (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 120 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 27, 2021

Claude Guillemot
Chairman and Chief Executive Officer

3. PERSONS RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

Standing 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

Substitute 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

It was decided at the shareholders' general meeting of June 4, 2020 to appoint Sébastien Legeai as substitute statutory auditor to replace Jacques Le Dorze, who stepped down due to his retirement.

Fees paid to the statutory auditors and members of their networks are set out in section 8 of the consolidated financial statements.

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 – 2021 CALENDAR		
January 28, 2021	After market close	Full-year 2020 turnover
March 25, 2021	After market close	Annual results to December 31, 2020
April 29, 2021	After market close	First-quarter 2021 turnover and quarterly reporting
May 27, 2021	-	Guillemot Corporation S.A. Annual General Meeting
July 29, 2021	After market close	Half-year 2021 turnover
September 23, 2021	After market close	2021 interim results
October 28, 2021	After market close	Third-quarter 2021 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 release of up-to-date information to the financial markets. 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 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 2020, given the public health crisis arising from the Covid-19 pandemic, only one face-to-face meeting was held, in September, to present the 2021 interim results.

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
8	**CASH AND CAPITAL**	
8.1	Information about the issuer's capital	121, 123, 141
8.2	Source, amount and description of cash flows	34, 124, 141
8.3	Issuer's funding requirements and funding structure	143, 145-147
8.4	Restrictions on the use of capital that may have significantly influenced, or may in the future significantly influence, the issuer's business	53-53, 143
8.5	Sources of funding expected to be necessary to meet the commitments referred to in point 5.7.2	None
9	**REGULATORY ENVIRONMENT**	218
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	39, 149
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	39, 149
11	**EARNINGS FORECASTS OR ESTIMATES**	
11.1	Forecast or estimated earnings	39
11.2	Key assumptions underpinning forecast or estimated earnings	39
11.3	Declaration concerning the preparation and production of forecast or estimated earnings	39
12	**ADMINISTRATIVE, EXECUTIVE AND SUPERVISORY BODIES AND SENIOR MANAGEMENT**	
12.1	Information about directors and executives	75-81
12.2	Conflicts of interest within administrative and executive bodies	83-84
13	**COMPENSATION AND BENEFITS**	
13.1	Amount of compensation paid and benefits in kind awarded	87-90
13.2	Amounts provisioned or recognized in respect of the payment of pensions, retirement or other similar benefits	87-117
14	**OPERATION OF ADMINISTRATIVE AND EXECUTIVE BODIES**	
14.1	Duration and expiry of current terms of office	75-81
14.2	Service agreements between directors and executives and Group companies under which benefits may become due on expiry of such agreement	83
14.3	Audit committee and compensation committee	85-86
14.4	Declaration of compliance with corporate governance standards	75
14.5	Potential material impacts on corporate governance	84
15	**EMPLOYEES**	
15.1	Number of employees	59, 60, 148
15.2	Employee shareholding and stock options	41-43, 74, 87
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	41-43
16.2	Different voting rights	42, 43
16.3	Control of the issuer	41-43
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**	148-149, 214-217

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, 2020	156-180
2. Statutory auditors' general report on the parent company financial statements	180-186
3. Consolidated financial statements for the fiscal year ended December 31, 2020	121-149
4. Statutory auditors' report on the consolidated financial statements	150-155
5. Management report	8-120
6. Declaration by persons responsible for the annual financial report	219
7. Report by the Board of Directors on corporate governance as laid down in Article L.225-37 of the French Commercial Code	75-120

5.3 Table – Workforce-related, environmental and social information

WORKFORCE-RELATED INFORMATION		
Employment	Total workforce and breakdown by gender, age and geographical region	59
	Recruitment and dismissals	60
	Compensation	60
Organization of work	Organization of working time	60
	Absenteeism	60-61
Health and safety	Workplace health and safety conditions	61-62
	Frequency and severity of occupational accidents, and occupational diseases	62
Employee relations	Arrangements for employee dialogue, including in particular procedures for informing, consulting and negotiating with employees	62
	Review of collective agreements, notably as regards occupational health and safety	62
Training	Training policy, notably as regards environmental protection	62
	Total number of hours' training	62-63
Equality	Measures adopted in support of gender equality	63
	Measures adopted in support of employment and inclusion for people with disabilities	63
	Anti-discrimination policy	63

ENVIRONMENTAL INFORMATION		
General environmental policy	Organization of measures to take into account environmental issues and, where applicable, environmental assessment and certification	63-64
	Resources for preventing environmental risks and pollution	64
	Provisions and guarantees for environmental risk, unless such information could be seriously detrimental to the Company in ongoing litigation	64
Pollution	Prevention, reduction or treatment of discharges into the air, water and soil having a serious impact on the environment	64
	Business-specific forms of pollution, including in particular noise and light pollution	64
Circular economy	Waste prevention and management: - Waste prevention, recycling, reuse and other forms of recovery and elimination - Preventing food waste	 64-65 65
	Sustainable use of resources: - Water supply and consumption in accordance with local constraints - Consumption of raw materials and steps taken to improve their efficient use - Energy consumption, steps taken to improve energy efficiency, and use of renewable energy - Land use	 65 65 65-66 66
Climate change	Significant greenhouse gas emissions arising from the Company's activities, including use of goods and services produced by it	66-67
	Action taken to adapt to the consequences of climate change	67
	Voluntary medium- and long-term greenhouse gas emissions reduction targets and resources put in place to achieve them	67
Protection of biodiversity	Action taken to protect or restore biodiversity	67

SOCIAL INFORMATION		
Social commitments in support of sustainable development	Impact of the Company's business on employment and local development	67-68
	Impact of the Company's business on residents and other local populations	68
	Stakeholder relations and dialogue	68
	Partnership and sponsorship	68
Subcontracting and suppliers	Social and environmental issues and procurement policy	68
	Suppliers' and subcontractors' social and environmental responsibility	68
Fair practices	Action in support of consumer health and safety	68-69
Information about anti-corruption measures	Preventing corruption	69
Information about actions in support of human rights	Promotion of and compliance with the stipulations of the fundamental Conventions of the International Labour Organization - Freedom of association and the right to collective bargaining - Eliminating discrimination in respect of employment and professions - Eliminating forced or compulsory labor - Abolition of child labor	69 69 69 69 69
	Other actions in favor of human rights	69

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.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)
Earnings Before Interest, Taxes, Depreciation and Amortization

e-tail
A market consisting of operators selling product ranges and brands exclusively online.

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.

DJ range
A range of controllers and speakers for digitally mixing music.

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.

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.

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.
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