

## CHAIRMAN'S STATEMENT

What a time we're living through right now!

I hope that everyone reading this annual report – the stakeholders in Games Workshop – are doing as well as can be in this extraordinary period. It is without precedent.

At Games Workshop, after a great year to 2 June 2019, our 2019/20 first half performance was strong. That trend continued into early in the calendar year 2020.

Then, along came COVID-19.

As most, if not all, of you know, we closed down our business in response to the UK Government's directions on 24 March 2020, the safety and the health of the Games Workshop team, their families and our customers being our principal concern. Notwithstanding this, our digital product sales continued positively, demonstrating our customers' love for our hobby.

In April 2020, in accordance with UK Government and other local guidance, we started to reopen the business. It's no surprise to me that Games Workshop staff were keen to get back to work. This continues to be work in progress – but I believe that it is positive.

We ended the 2019/20 financial year with revenue of £270 million and profit before tax of £89 million. In overall terms and notwithstanding the massive disruption caused by the virus, in my view your Company's performance in the year to 31 May 2020 was tremendous.

Alongside responding to COVID-19, there has been a lot going on at Games Workshop this year. Our revenues have been growing well in our core business and in our developing licensing business. Our project to expand our production facilities in Nottingham is nearing completion. As Kev reports later in this annual report, further capital investment is underway in our UK and North America operations.

Our key business risks (set out later in this document in Kev's strategic review) – which are of course heightened for a fast-growing business – have been made more complicated by COVID-19. We are working hard to address these risks. The continuing strength and loyalty of the Games Workshop team are invaluable here (as elsewhere).

We believe that a principled approach to doing business is central to our present and future success. Our culture encourages responsible practices throughout the Company and presents clear principles that drive ethical interactions with our stakeholders. As set out in some detail later in this annual report, we work hard to ensure that this mind set is evident across the business: in the way that we interact with our customers, our suppliers and with each other; in the way that we engage in our communities; and in our respect for the environment.

We continue to work on refreshing the composition of the non-executive board of the Company. As I have said before, to find people who 'fit' (the right values, skills and behaviours) with Games Workshop is not an easy task, quickly accomplished. We have conducted a further search process since our 2019 AGM, but to date we have made no further appointment; the COVID-19 'lockdown' has certainly hampered our efforts on this front. Nevertheless, our search for an additional non-executive director continues. In my statement last year I said that I expected my successor as non-executive chairman of Games Workshop to be appointed from within this group of talented individuals 'within the next few years'. This timetable continues: I will stand down from the board of Games Workshop (at the latest) at our 2021 AGM, when the board (excluding me) has decided upon my replacement.

No one can predict with confidence the future – and that applies all the more so with the advent of COVID-19. Nevertheless, I have absolute confidence that the Games Workshop team will ensure that this business survives and succeeds. And I have absolute confidence in the loyalty and passion of all of our Warhammer hobbyists who continue to reward us with their custom.

Finally, and as in previous years, I have three enjoyable responsibilities to discharge before concluding this statement:

- Firstly, to thank our executive directors and the Games Workshop team as a whole for achieving so much in this extraordinary year. The team's performance has been fantastic.
- Secondly, to thank our loyal customers: we will do our best to continue to surprise and delight you with ever better products and services and to continue to include you in the conversation.
- Thirdly, to thank you, our shareholders, for your support and your loyalty. I am sorry we will not be meeting in person at this year's AGM.

With thanks, and best wishes.

**Nick Donaldson**

Non-executive chairman

27 July 2020