

CHAIRMAN'S STATEMENT

I'm delighted to report that Games Workshop's financial year ended 2 June 2019 was another great year for the Company. Revenue and profit before tax were both at record levels, revenue exceeding £250 million for the first time. Games Workshop's 2019 performance beat the 2018 result with sales and profit growth across all channels. This is the first time in the Company's history that performance in the financial year following a Warhammer 40,000 launch year has beaten the Warhammer 40,000 year!

Dividend payments in respect of the 2019 financial year amounted to 155 pence per share, compared with 126 pence per share in respect of 2018. I'm sure that Games Workshop shareholders appreciate the fact that our dividends are paid entirely out of surplus cash generated, not debt. We continue to have no borrowings.

This performance was achieved notwithstanding a busy year on other fronts: phase 1 of Leenside - our new production facility in Nottingham – was completed (on time and on budget) and commenced operations in December 2018. Phase 2 of the Leenside project is underway and is expected to be operational in Autumn 2019. Other investment projects, which Kev describes in his report later in this annual report, continue to make progress.

I would also draw to shareholders' attention the growing contribution to our performance from royalty income. There is increasing interest on the part of media businesses in Games Workshop's intellectual property - our rich fantasy worlds of Warhammer.

We continue to try to remain alert to the business risks we must address. This includes the risks which confront every business routinely – for example, finding and retaining good people, innovation, sales growth, cost control – and those which a business that has grown fast over a short period of time might consider in particular, such as the effectiveness of our operating systems, our design, development and manufacturing capacity; in short, how best to address our 'growing pains'. No easy task: your executive team has a lot on its plate.

The process of refreshing the composition of the board of the Company continues. As noted in our 2018 annual report, Chris Myatt, our senior independent director, will step down from the board at our AGM in September 2019. Chris has been a great source of clear, independent-minded advice to Games Workshop since his appointment to the board as a non-executive director in April 1996. On behalf of everyone involved in any way in Games Workshop, thank you, Chris. We will miss your contribution.

Finding new non-executive director candidates who 'fit' with Games Workshop does take time – and we believe 'fit' to be of great importance. Your board has spent a good deal of time on this exercise since our last annual report. We have however now appointed as non-executive directors John Brewis in June 2018 and Kate Marsh in July 2019. Following the 2019 AGM, your board now has in place three non-executive directors (besides me). We will commence our search for a fourth non-executive in 2019/20 and I expect my successor as non-executive chairman to be appointed from this group within the next few years. We will keep you fully updated on our progress on this front.

Our 2018 AGM had a structure similar to most other listed companies, focusing on normal AGM business. This year's AGM will be similar in format, but following the AGM this year Kev and Rachel will make a presentation about the business. And, as before, there will be the opportunity for shareholders to meet and engage with all board members and some of our senior operational team.

On the subject of trying to improve awareness generally about what we're doing at Games Workshop and in particular in the light of the MIFID II regulations, we recently appointed Edison Group, an independent research firm, to publish research into our business. You can access this on our investor relations website. I encourage you to read it! I hope you will find it informative and helpful.

Finally, and as was the case last year, 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 such success this year. I know you will try and keep it up. The team's performance has been fantastic.
- Secondly, to thank our loyal customers: we will do our best to continue to produce what you're looking for and to include you in the conversation.
- Thirdly, to thank you, our shareholders, for your support and your loyalty. Do please try and come to our AGM on 18 September 2019: we look forward to seeing you there.

With thanks, and best wishes.

Nick Donaldson
Non-executive chairman
29 July 2019