

CHAIR'S STATEMENT

This is my first statement as non-executive chair of Games Workshop Group PLC, having stepped into the job on 1 January 2021.

I'm delighted that we are reporting truly exceptional results in our financial year ended 30 May 2021, with revenue exceeding £350 million and profit before tax of over £150 million for the first time. This outstanding performance has been delivered in a period of unprecedented global uncertainty with the ongoing health and economic crises of COVID-19, and it is a true testament both to the strength of our operational team and to the resilience of our business model.

Our culture determines what and how we deliver and achieve. It is built on the qualities of honesty, humility and courage. We are an enthusiastic and committed team. We hire people with great skills, great attitudes and great behaviours. Our sense of togetherness is very strong - even more so when the going is tough, and this year has certainly been tough. We understand that we win together or we lose together. This year we won together and our company and the Warhammer hobby continue to be in great shape.

We invested £10 million in capital projects to support our growing business. We declared 235 pence per share in dividends totalling £77 million, compared with £47 million in respect of 2019/20. We were delighted to distribute £13 million equally to all of our colleagues to recognise their significant role in delivering these great results. We also paid some discretionary bonuses (like we do most years) in recognition of exceptional performance. These payments were made entirely out of surplus cash generated. We continue to have no borrowings and to retain sufficient cash both to invest in future growth and to protect the business against unforeseen risks and headwinds.

The health and safety of our Games Workshop team, their families and of our customers and partners continues to be our primary concern. Many of our retail stores and some of our trade customers have been closed for a large proportion of the year. Our colleagues and trade partners are keen to get back to normal as soon as possible, and we will continue to support them in doing so safely.

As Kevin reports later in his strategic review, some of our investment projects have taken longer than we had hoped and we have also faced significant logistical and operational challenges throughout the year. The Games Workshop team have worked tirelessly to overcome these challenges, and our customers have been very understanding when we have fallen short of our normal high standards. Thank you one and all.

We aim to make the best fantasy miniatures in the world, to engage and inspire our customers, and to sell our products globally at a profit. We intend to do this forever. 'Forever' is an important word to us and all of our decisions are focused on long-term success and not short-term gain. We know that to achieve our ambition to be around forever, running the company that we love, we have to have a responsible and principled approach in our dealings with all of our stakeholders - our colleagues, customers, shareholders, suppliers, local neighbourhoods and the world in which we live.

We take these responsibilities very seriously and have spent a lot of time this year focusing on more effective wider stakeholder communication and management. Just some examples of this include the establishment of our environment, social and governance (ESG) steering group, the ongoing development of our global communication forum and the companywide review of our remuneration policies. We also reviewed our executive remuneration policy and found that we had fallen significantly behind market rate for our executives, given the complexity and size of our business. We have addressed this and made some changes to our policy as outlined later in this report. We have also spent considerable time reviewing and ensuring that our risk management processes are robust for the world in which we now operate. As we set out in some detail later in this annual report, we work hard to ensure that our long-term approach is evident across all aspects of our business and we have again made great progress this year.

Our work on refreshing the composition of the board of the Company continued this year and after an extensive search process, we were delighted to welcome Sally Matthews as our newest non-executive director and chair of the audit and risk committee. Nick Donaldson retired from the board on 31 May 2021, having served 19 years as a non-executive director and the last three years as our non-executive chair. I would like to extend my thanks and that of the entire Games Workshop team to Nick. You will be missed.

I am delighted in the progress we are making in our board composition. In particular, I'm pleased that we have an executive team with a combined 48 years of tenure at Games Workshop, supported by a non-executive panel with really rich experience across manufacturing and logistics, IP and media, digital retailing and financial and listed company expertise. I will continue to keep the board composition under review and commit to ensuring that we always have a quality team of non-executives with diverse but relevant experience to support our high performing executives. Ensuring we surround ourselves with those who are moral, ethical and quality obsessed will always be a key priority.

In the coming year, we plan to redouble our focus on 'to do this forever'. We will do this by accelerating our investment around assessing our impact on the environment and playing our part to address climate change. We will also continue to invest to put our rich intellectual property in front of new audiences and explore new product types designed to engage those beyond the tabletop market, encouraging them to get involved in the fantastical worlds of Warhammer. All of these plans will cost money and their value will only truly be known in future years but we believe that by investing in strong foundations we will deliver on our commitment of 'to do this forever' - which we are sure is truly in the interests of all of our stakeholders.

Last year, we were very disappointed not to host our AGM face to face. This year, we were once again hoping to be able to hold our AGM at our global head office in Nottingham. However, we are unfortunately still in the midst of the pandemic and with the health and safety of our colleagues an ongoing priority, we have decided to hold the AGM off-site at Trent Vineyard in Lenton, Nottingham. We recommend that shareholders do not attend the AGM, but instead submit any questions by email in advance and vote by proxy.

Finally, in concluding my first statement as your chair, I would like to extend my sincere thanks:

- Firstly, to our executive directors and the entire Games Workshop global team. The team performance and spirit has been second to none in very challenging times.
- Secondly, to our loyal customers for continuing to engage in the Warhammer hobby in such a positive way. We will do our best to keep supporting and delighting you.
- Thirdly, to our shareholders for your ongoing support and loyalty. I have really enjoyed meeting many of you virtually and I hope to be able to see many more of you face to face as and when restrictions ease.

With kind regards

Elaine O'Donnell
Non-executive chair
26 July 2021

