

Endor AG with positive outlook for 2021: Significant growth in sales and earnings

- **Group sales in triple-digit millions for the first time and increasing profit expected for 2021**
- **Very good prospects for virtual racing (simracing) also due to expected launch of new racing video game Gran Turismo 7 (GT7)**
- **Further investments in personnel, R&D and marketing planned**

Landshut, January 25, 2021 - The Management Board of Endor AG has specified its outlook for the fiscal year 2021. Accordingly, the Management Board expects consolidated sales in the three-digit million range for the first time with simultaneously increasing profits. For comparison: In the fiscal year 2020, consolidated sales amounted to 90 million euros according to preliminary figures. The management is thus optimistic about the business outlook despite the challenging environment in 2021 due to the pandemic.

Thomas Jackermeier, CEO of Endor AG: "Due to the constantly changing pandemic situation, it is currently difficult to make exact forecasts. However, we have seen that the Corona pandemic in 2020 had no negative effect on our business. On the contrary, the initial restrictions, as onerous as they are, boosted consumers' enthusiasm for gaming and also their willingness to invest in steering wheels and other equipment. However, our growth cannot be attributed to these effects alone. Even before the pandemic, we were already seeing strong growth in demand for simracing - virtual racing - and we expect growth to slow significantly compared to 2020 but to continue over the next few years."

Endor AG has already successfully established the Fanatec brand as a specialist for sim-racing accessories in the past and is thus benefiting in particular from the e-sports boom. The expansion of the existing partnership with SRO Motorsports Group will also serve to optimally position the brand in the new fiscal year. The Fanatec brand will be the title sponsor of the renowned Fanatec GT World Challenge and the new Fanatec GT2 European Series for several years, and will thus be present in the media world when, for the first time, real and virtual sports are combined in one discipline in a racing series.

The expected launch of the racing video game GT7 (probably in Q3 or Q4), which is being developed by Polyphony Digital and published by Sony Interactive Entertainment, should once again boost sales in the simracing sector. The past has shown that the launch of popular racing games provides significant additional momentum in the steering wheel business. In particular, the Gran Turismo series is popular with consumers worldwide and is considered a blockbuster in the scene. Previous versions, such as GT5, have already sold 5.5 million copies worldwide within a month of release.¹ Until

¹ Sony Computer Entertainment Inc.

the launch of GT7, Endor plans to introduce matching PlayStation 5 licensed products in the lower price range of the Fanatec range to the market.

András Semsey, CFO of Endor AG: "By placing new products in the lower price range of the Fanatec portfolio, we will be able to significantly expand our market share worldwide. In line with our top-down brand strategy, we are also consciously accepting slightly lower gross profit margins for this expansion. However, due to the overall strong growth, profits will continue to rise. In addition, we are planning extensive investments in fiscal 2021 to adapt our corporate structure to the continuing strong demand. In 2021, the entire IT infrastructure will be renewed, personnel will be acquired, and we will continue to make substantial investments in R&D. In addition, we will invest significantly in marketing. We will also invest significantly in marketing. The first-time sponsorship of the real GT racing series and the extensive cooperation also in e-sports with the organizer SRO are the largest marketing investments in Endor's history, but it will give us the opportunity to make the Fanatec brand even better known in motorsports worldwide and this will be reflected in increasing sales in the long term, according to our forecasts."

About Endor AG www.endor.ag

Endor AG develops and markets high-quality input devices such as high-end steering wheels and pedals for racing simulations on game consoles and PCs as well as driving school simulators. As a "brain factory", the company's focus is on the creative sector. Endor carries out product development and prototype construction under its own direction and together with specialized technology partners, primarily in Germany ("German engineering"). The products are mainly produced in Asia.

Endor sells its products under the FANATEC brand via e-commerce primarily to end customers in Europe, USA, Canada, Australia and Japan. Endor also sells driving school simulators in cooperation with Vogel Verlag. Endor AG, headquartered in Landshut, was founded in 1997 and currently employs 136 people. Within the group, 195 people work for Endor worldwide, including freelancers. In 2019, the company generated consolidated sales of 39 million euros.

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UStId Nr: DE209120714. Str.-Nr. 132/120/20138
