

Endor AG adjusts revenue and earnings forecast for the 2023 financial year and optimizes key corporate processes

- Group revenue forecast adjusted following preliminary calculation: Range of EUR 102-106 million (previously: EUR 105-115 million)
- Revenues of around EUR 4.0 million will be postponed to the first quarter of 2024 due to delayed delivery
- EBITDA margin for 2023 is expected to be in the low negative double-digit percentage range
- Reorganization of processes progressing according to plan
- Ongoing bank negotiations reach first positive interim result
- Optimization and expansion of customer service through cooperation with large external partner

Landshut, 30 January 2024 – Endor AG ("Endor") is adjusting its revenue and earnings forecast for the 2023 financial year as part of the current preparation of the 2023 consolidated financial statements. Accordingly, the company now expects consolidated revenues for 2023 to be in the range of EUR 102-106 million, after previously forecasting revenues in the range of EUR 105-115 million. The EBITDA margin is expected to be in the low negative double-digit percentage range (estimated to be between -10% and -15% based on revenue) (previously: mid-single-digit percentage range).

Group revenues for 2023 will be around EUR 4.0 million lower than planned due to a shift in revenues from the fourth quarter of 2023 to the first quarter of 2024. Pending product releases from the licensor were mainly the reason why products ordered in advance are not yet available for delivery. Adjusted for this effect of the shift of revenues, Group revenues in 2023 would have been approximately in the middle of the previous guidance of EUR 105-115 million. Most of the orders that could not be delivered in the fourth quarter of the previous year have been transferred to the new year and, according to current planning, will be processed in the first quarter of 2024. Incoming orders in 2023 were at roughly the same level as in the record year 2022.

The effects of the shift in revenues are also reflected in the operating result. In addition, the realignment of the purchasing strategy for chips and the reorganization that has been initiated are having a negative impact on EBITDA. Provisions for the settlement of outstanding chip orders, costs for the improvement of operational processes, personnel measures and other one-off and out-of-period effects have a negative impact on earnings. As part of the review of the usability of the chips in stock, a write-down in the low single-digit million euro range is also

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expected, which will have a impact below EBITDA. The exact amount of the effect will be assessed as part of the audit of the annual financial statements.

"The past financial year was still characterized by the chip crisis and its effects. Since then, we have also been working on urgent structural measures to avoid mistakes and to be able to cope with the planned growth. Our focus is on increasing efficiency and improving cost management to restore profitability. 2024 will also be characterized by numerous measures and, together with the continued strong demand for our products, we expect a significant improvement in liquidity and profitability as early as 2024," says Thomas Jackermeier, CEO of Endor AG.

A first positive interim result was achieved in the course of the ongoing bank negotiations. The existing credit lines were extended until March 31, 2024. The progress is due, among other things, to the stable development of the business volume and the ongoing reorganization. The bank negotiations are expected to be concluded positively in the coming months.

In addition, Endor AG has worked intensively on optimizing its overall logistics in recent months in light of the record order intake in November and was recently able to reduce the backlog of open orders. As a result, there are currently no longer any backlogs in the delivery of new orders that were not received as pre-orders. In addition, customer service will be expanded by the end of the first quarter of 2024 through cooperation with a major external partner, which will lead to a noticeable improvement in service quality.

Note: Endor AG's annual and consolidated financial statements for 2023 will be published in the course of July 2024.

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, the USA, Canada, Australia and Japan. Endor AG, based in Landshut, was founded in 1997 and currently employs around 200 people across the Group. In 2022, the company generated a consolidated turnover of EUR 119.2 million.

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