Quarterly Statement Q1 I 2024

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Business performance in the first three months 2024

Endor AG experienced positive development both operationally and through special effects in the first quarter of the current financial year. In the first quarter of 2024, the Company achieved revenues of EUR 30.5 million, compared to EUR 17.3 million in the first three months of 2023. This represents an increase of 72.3%, although comparability with the first quarter of 2023 is significantly limited due to chip shortages and the resulting supply chain issues in the prior year quarter. Furthermore, approximately EUR 5.0 million of the revenue in the first three months of 2024 were due to a revenue shift from the fourth quarter of 2023 to the first quarter of 2024, thus attributable to purchase orders from the previous year. The revenue growth in the first quarter of 2024 was also positively influenced by the two successful product launches (*Gran Turismo GT DD RW X* in February 2024; *Racing Wheel CS RW F1®* in March 2024), although the revenue development from the new products fell short of expectations.

On a three-month view, cost of materials in the Group amounted to EUR 15.2 million compared to EUR 8.8 million in the previous year. The increase is attributable to the higher product volumes. Cost of materials also include expenses for air freight, which could be reduced compared to the previous year. Cost of materials are within a usual range – the gross profit margin in the first three months of 2024 was accordingly 50%, compared to 49% in the first quarter of the previous year.

Personnel expenses amounted to EUR 3.3 million compared to EUR 3.1 million in the prior year period. Although the number of employees increased from 191 to 205 compared to the previous year, the personnel cost ratio fell from 18% to 11% in the first quarter of 2024 due to the significantly higher revenue.

Other operating expenses increased to EUR 11.2 million in the first three months of 2024 due to the higher order volume (previous year: EUR 7.7 million). Other operating expenses include marketing and sales costs as well as research and development costs, which amounted to EUR 0.5 million (previous year: EUR 0.7 million).

The Endor Group achieved earnings before interest, taxes, depreciation, and amortization (EBITDA) of EUR 1.2 million in the reporting period, compared to EUR -1.9 million in the same period of the previous year. This results in an EBITDA margin (based on Group revenue) of around 4% (previous year: -11%). Operating profit (EBIT) was EUR 0.4 million in the first quarter of 2024 (previous year: EUR -2.6 million). The EBIT margin (based on Group revenue) was 1% (previous year: -15%).

This quarterly report Q1 2024 of Endor AG presents only the income statement. A balance sheet and cash flow statement for the first quarter of 2024 cannot currently be published due to extensive corrections required in the accounting of the 2023 Financial Year. These corrections are still being processed and under evaluation. As a result, the opening balance values required for preparing the balance sheet and cash flow statement for the first quarter of 2024 are not yet available. The Company expects the required values to be available by the next quarterly report.

Key figures at a glance

in EUR million	**31 March 2023**	**31 March 2024**	**change**
Revenues	17.3	**30.5**	72.3%
EBITDA	-1.9	**1.2**	--
EBIT	-2.6	**0.4**	--
Number of employees	191	**205**	7.3%

Changes in the Management Board and Restructuring Process

In the first quarter of 2024, Endor AG entered negotiations with lending banks regarding a standstill agreement for existing loans and initiated a restructuring process for the company. As part of this, the Supervisory Board of Endor AG resolved on March 28, 2024, to dismiss the previous CEO of Endor AG, Thomas Jackermeier, effective at the end of March 30, 2024. This fulfilled a key condition set by the lending banks for the standstill agreement until June 30, 2024, and consequently, the bridging loans were extended until June 30, 2024. This is accompanied by the fulfillment of ongoing obligations by Endor AG.

Effective from April 12, 2024, to June 30, 2024, Andres Ruff was appointed as a new member of the Management Board in the role of Chief Restructuring Officer (CRO) and on April 15, 2024, he was named the new Chief Executive Officer (CEO) and Chairman of the Management Board. Andres Ruff is particularly responsible for tasks related to the corporate restructuring of Endor AG.

Following the extension of the bridging loans, the Management Board of Endor AG, in coordination with the financing banks, initiated an investor process to recapitalize Endor AG and openly examined various options. These included both the injection of equity through capital increases and an investor entry with instruments under the German Act on the Stabilization and Restructuring of Companies (StaRUG).

After the reporting date of March 31, 2024, an initial success in corporate restructuring was achieved during the second quarter. Following exclusive negotiations with CORSAIR® (Nasdaq: CRSR), the Management Board of Endor AG agreed with the consent of the lending banks and the Supervisory Board on interim financing by CORSAIR®.

Due to impending insolvency Endor AG is now to be restructured outside of insolvency proceedings under the German Act on the Stabilization and Restructuring of Companies (StaRUG).

As part of the restructuring, it is planned that CORSAIR® will fully acquire Endor AG and provide sufficient financial resources to stabilize the company without external debt. Endor is currently financed with around EUR 70 million in debt. The planned restructuring includes a partial waiver by the banks and a complete capital reduction, which would result in the current shareholders leaving the company without compensation and the delisting of Endor AG shares from the Open Market. The lenders' partial waiver makes a significant contribution to the company's continued existence.

Forecast for Financial Year 2024

Endor AG adjusted its revenue forecast for the full year, initially published in early February 2024, on May 29, 2024. The company points to significant forecast uncertainties and now expects consolidated revenue of EUR 105 million to EUR 115 million for 2024 (previously: EUR 115 million to EUR 125 million). The reason for this adjustment is a noticeable customer reluctance to purchase since the beginning of the second quarter, which the Management Board expects to continue in the second and third quarters of 2024.

The forecast for the EBITDA margin (based on Group revenue) of 8% to 10%, also published at the beginning of February 2024, was also withdrawn due to the expected one-off effects of the planned StaRUG procedure. At the current time, a reliable forecast of the EBITDA margin is not possible, as it is not yet foreseeable to what extent special effects will occur. These include, in particular, income from debt waivers by banks that have not yet been fully negotiated, as well as the costs of the StaRUG procedure.

Landshut, May 2024

The Management Board

Andres Ruff Matthias Kosch Daniel Meyberg Belma Nadarevic

Profit and Loss Statement of the Endor Group

Endor Group P&L (in EUR million)	Q1 2023	Q1 2024
Turnover	17,3	30,5
Own work capitalized	0,2	0,1
Other income	0,1	0,3
= Total output	**17,7**	**30,9**
Cost of materials	-8,8	-15,2
= Gross profit	**8,9**	**15,7**
*% Gross profit margin**	*49%*	*50%*
Personnel costs	-3,1	-3,3
% Personnel costs ratio	*18%*	*11%*
Other operating expenses	-7,7	-11,2
= EBITDA	**-1,9**	**1,2**
% EBITDA margin	*-11%*	*4%*
Depreciation	-0,7	-0,8
= EBIT	**-2,6**	**0,4**
% EBIT margin	*-15%*	*1%*

*excl. own work capitalized and other income

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Disclaimer: This Quarterly Statement contains forward-looking statements. These statements are based on the current experience, assumptions and forecasts of the Management Board and the information currently available to it. The forward-looking statements are not to be understood as guarantees of the future developments and results mentioned therein. Rather, future developments and results depend on a variety of factors. They involve various risks and uncertainties and are based on assumptions that could prove to be incorrect. We assume no obligation to update the forward-looking statements made in this report.

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