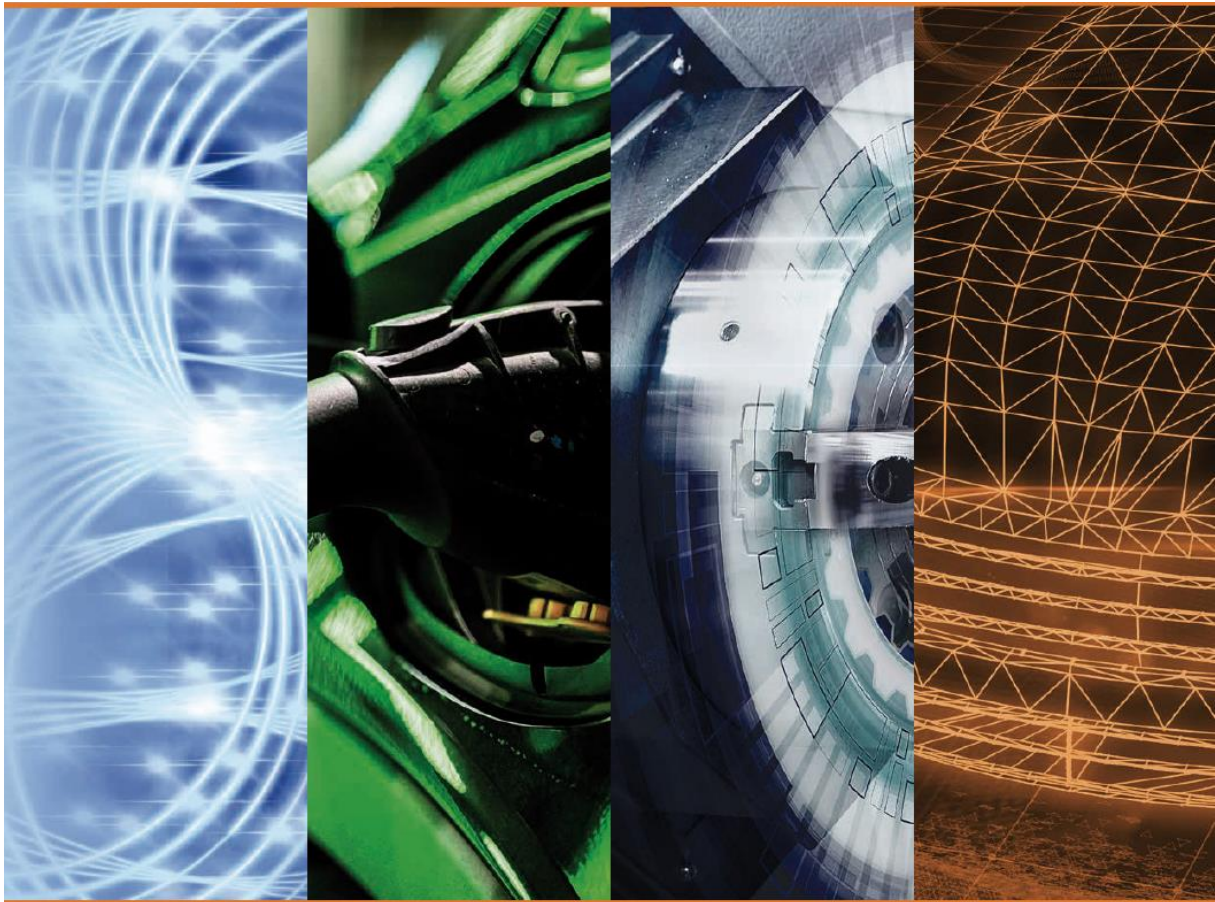


FINANCIAL GROUP REPORT Q1 2024 (UNAUDITED)

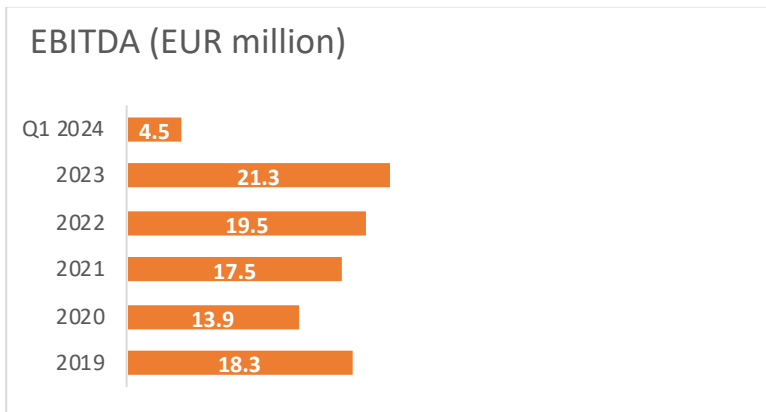
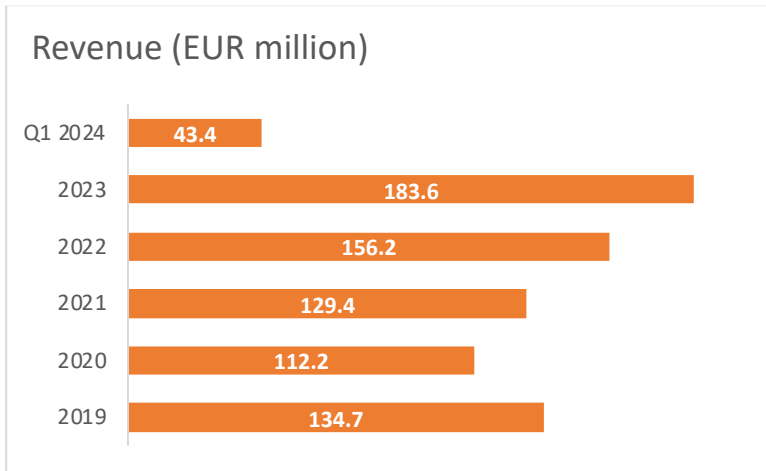


Booster Precision Components GmbH

Group Financial Report January to March 2024

Registered Office:
Bockenheimer Landstraße 93
60325 Frankfurt
Germany

Booster Precision Components GmbH
Financial Report
January to March 2024



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Management Comments

General Information

The Booster Group (hereinafter also referred to as "Booster") is an international supplier focusing on the production and distribution of highly precise metal parts. The Booster Group comprises nine companies in five countries. The Booster Group's activities currently focus on components for turbochargers, which are predominantly used in the automotive sector – in both combustion and hybrid engines. As part of Booster's growth strategy, the product portfolio has been expanded to include components for use in electrified and hydrogen-powered vehicles as well as for industrial applications with a positive impact on efficiency and sustainability.

Booster Precision Components GmbH, based in Frankfurt am Main, is the holding company of the Booster Group. The company provides management, advisory and other services for its domestic and foreign subsidiaries. Production takes place at five locations in four countries (one each in China, Germany, Mexico and two locations in Slovakia). All plants of the Booster Group functionally follow the same organizational structure: production, quality, engineering, human resources and finance. While sales and purchasing are also geographically located at the above-mentioned sites, they operate across all locations.

The output markets are strongly oriented towards the company's international customers, who are based in around 20 countries worldwide. Key markets are Europe, USA and China.

The product portfolio currently offered mainly comprises compressor wheels, components for variable turbine geometry (VTG) chargers and shafts but will be expanded noticeably in accordance with the business expansion strategy, with E-Mobility, Fuel Cell and Industry products successively being added.

BOOSTER is the only manufacturer of compressor wheels and VTGs worldwide with production sites in Europe, North America, and China. The plant in Schwanewede (Lower Saxony) places a special focus on compressor wheels, whereas the Beluša (Slovakia) plant focuses on VTGs. Their production and process standards have been adopted by the sites in Mexico and China.

The financial accounts are prepared in line with German GAAP (HGB).

Macroeconomic Conditions and Development of the Automotive Sector

In the latest World Economic Outlook dated April 2024, the International Monetary Fund (IMF) assumes that global economic growth will only amount to 3.2% in 2024, one basis point less than expected in January (*IMF World Economic Outlook, April 2024*). The IMF expects GDP growth in the euro area (EU, EFTA & UK) to increase from a low rate of 0.4% in 2023, which was primarily due to the negative effects of the war in Ukraine, to 0.8% in 2024. The growth forecast for Germany has been revised downwards by 0.3 percentage points due to the weak consumer climate and will only reach 0.2% in 2024, according to the IMF. Economic growth rates for the US and China are projected at 2.7% and 4.6% respectively.

According to the German Association of the Automotive Industry (Verband der Automobilindustrie, VDA), international passenger car markets are mostly up after the first quarter of 2024. Europe (EU, EFTA & UK) and US are on the rise, but still below pre-crisis levels, while the Chinese passenger car market is picking up strongly (*VDA Press Release, 25 April 2024*).

For the European passenger car market (EU, EFTA & UK), the VDA reports a growth of 5% compared to the first quarter of 2023. However, in March 2024, the European market turned negative with a decrease of 3% compared to the same month in the previous year. The German passenger car market grew moderately by 4% compared to the same period in 2023, according to the VDA.

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The US light vehicle market (passenger cars and light duty) benefited from continued solid economic development and a robust labor market in the first three months of 2024, which resulted in a 5% increase compared to 2023.

Passenger car sales in China grew by 13% year-on-year in the first quarter of 2024. Weak private consumption is maintaining the risk of deflation, which could limit car sales in the medium term.

Earnings Position of the Group

Q1 2024

Booster started the financial year 2024 with a slightly lower revenue and earnings performance than in the previous year, which was caused by weaker demand and an unfavorable product mix in the first quarter.

Revenues in the first three months of 2024 were notably down by -8.3% compared to Q1 2023 and amounted to EUR 43.4 million (Q1 2023: EUR 47.3 million).

Other income decreased from EUR 1.0 million to EUR 0.4 million mainly due to currency effects, which came down by EUR 0.5 million.

Employee benefit costs rose by 11.3% to EUR 10.0 million (Q1 2023: EUR 9.0 million). The employee benefit cost ratio in relation to output increased by 3.6 percentage points compared to Q1 2023.

Other operating expenses (OPEX) significantly declined from EUR 8.2 million to EUR 7.1 million in Q1 2024. Declining electricity costs, lower but continued positive currency effects, reduced machine maintenance and consulting costs overcompensated for the increase in operating costs for temporary staff and tools, thus contributing significantly to the positive development. OPEX cost ratio decreased by 1.2 percentage points compared to the same quarter of the previous year.

In Q1 2024, Booster's EBITDA dropped by 19.3% year-on-year and amounted to EUR 4.5 million (Q1 2023: EUR 5.6 million). The EBITDA margin decreased by 1.5 percentage points down to 10.0% in the reporting period compared to 11.5% in the same quarter of the previous year.

Earnings before interest and taxes (EBIT) amounted to EUR 2.5 million in Q1 2024 (Q1 2023: EUR 3.6 million). Group net income was negative at EUR -0.3 million (Q1 2023: EUR 1.4 million).

Balance Sheet

Total assets stood at EUR 114.7 million as of 31 March 2024 (12-31-2023: EUR 114.5 million).

Booster's fixed assets amounted to EUR 44.0 million (12-31-2023: EUR 43.4 million).

The company's current assets remained at a stable level at EUR 69.7 million as of 31 March 2024 (12-31-2023: EUR 69.9 million). The increase in inventories and receivables and other assets was offset by a lower level of cash and cash equivalents.

Equity capital remains stable at EUR 15.0 million as of 31 March 2024 compared to EUR 14.8 million at the end of 2023. Equity ratio went up by 0.3 percentage points to 13.2%.

At EUR 3.7 million other provisions were 36.0% higher on 31 March 2024 than at year-end 2023 due to increased provisions for employee benefit costs.

Liabilities as per 31 March 2024 fell by a total of EUR 1.2 million and amounted to EUR 91.6 million. Trade accounts payable (excluding finance leases) increased to EUR 25.2 million (12-31-2023: EUR 23.2 million) and the obligations from finance leases went down to EUR 4.3 million as per 31 March 2024 (12-31-2023: EUR 4.9 million). Existing overdraft lines in the amount of EUR 5.2 million were utilized by EUR 3.4 million.

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As of 31 March 2024, the financial indebtedness as defined in the bond terms amounts to EUR 45.1 million and the net interest-bearing debt to EUR 38.7 million. Considering LTM-EBITDA of EUR 20.8 million the leverage is 1.9, which is far below the maintenance covenant of 3.75.

Cash Flow Statement

The operating cash flow underwent an increase of EUR 0.9 million, moving from EUR 1.0 million in the first quarter of 2023 to EUR 1.9 million in the same period of 2024 mainly due to the decrease of working capital.

Cash flow from investing activities went down to EUR -1.0 million (Q1 2023: EUR -2.6 million) because of the meanwhile installed capacity which is sufficient for the output planned in 2024.

In the first three months of 2024, the financing cash flow of EUR -5.7 million (Q1 2023: EUR -0.4 million) reflects a utilization of overdraft and repayments of financial loans. Paid interest increased by EUR 0.2 million compared to the same period of 2023 because of risen liabilities and higher interest rates.

Opportunity and Risk Report

To a large extent, the success of business decisions depends on a reliable assessment and management of strategic, market-related and regulatory risks and opportunities. Risks represent possible negative deviations from the planned development of the Group, against which the Booster Group must protect itself.

The Booster Group's risk situation was described comprehensively in the Group management report as of 31 December 2023. The risks were identified and explained in detail. From the management's point of view, there are currently no further risks or opportunities, which go beyond the aspects presented in the Group management report as of 31 December 2023.

Outlook

The management assumes that the business environment for the automotive industry will remain challenging in 2024 and that overall economic demand will remain subdued, particularly in Europe but also in other regions of the world, due to geopolitical and macroeconomic uncertainties. However, given the strong order book for the coming years, the Group expects revenues to grow moderately in a single-digit percentage range compared to the previous year (2023: EUR 183.6 million). Assuming energy prices and raw material costs to remain stable and further demand to meet management expectations, the group foresees a moderate increase in earnings (EBITDA 2023: EUR 21.3 million).

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Group Profit and Loss Statement, January to March (Q1)

	Q1 2024		Q1 2023		Deviation	
	in kEUR	% of output	in kEUR	% of output	in kEUR	% change
	(unaudited)		(unaudited)		Deviation	
Revenue (Net sales)	43,401		47,323		(3,922)	(8.3)
Changes in self-produced goods	1,785		1,117		668	59.8
Output	45,186		48,440		(3,254)	(6.7)
Self-produced and capitalised assets	0	0.0	0	0.0	-	-
Other income	441	1.0	1,017	2.1	(576)	(56.6)
<i>thereof - Income from FX-Effect</i>	<i>423</i>		<i>931</i>		<i>(509)</i>	<i>(54.6)</i>
Raw material, consumables and services	(23,921)	(52.9)	(26,599)	(54.9)	2,678	(10.1)
Employee benefit cost	(10,046)	(22.2)	(9,023)	(18.6)	(1,024)	11.3
Other operating expenses (OPEX)	(7,129)	(15.8)	(8,216)	(17.0)	1,087	(13.2)
<i>thereof - Expense from FX-Effect</i>	<i>(415)</i>		<i>(1,125)</i>		<i>710</i>	<i>(63.1)</i>
Other taxes	(27)	(0.1)	(37)	(0.1)	11	(28.9)
EBITDA	4,503	10.0	5,581	11.5	(1,078)	(19.3)
Depreciation on tangible assets	(1,833)	(4.1)	(1,728)	(3.6)	(105)	6.1
EBITA	2,670	5.9	3,853	8.0	(1,183)	(30.7)
Amorisation on intangible assets	(218)	(0.5)	(215)	(0.4)	(3)	1.4
Operating Income (EBIT)	2,452	5.4	3,638	7.5	(1,185)	(32.6)
Financial result	(1,972)	(4.4)	(1,700)	(3.5)	(272)	16.0
Taxes on income	(809)	(1.8)	(578)	(1.2)	(231)	40.0
Net profit	(329)	(0.7)	1,360	2.8	(1,689)	(124.2)

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Group Balance Sheet I

ASSETS (in kEUR)	03-31-2024 (unaudited)	12-31-2023 (audited)
A. Fixed Assets	43,990	43,372
I. Intangible assets	5,941	5,659
II. Tangible assets	38,048	37,710
Land and buildings	1,581	1,640
Technical equipment and machinery	31,691	30,123
Other equipment	1,344	1,399
CIP and prepayments of fixed assets	3,432	4,548
III. Financial assets	2	2
B. Current assets	69,705	69,909
I. Inventories	31,998	29,370
II. Receivables and other assets	31,369	29,367
Trade accounts receivable	28,731	28,683
Liabilities of Factoring Off-Balance	(3,960)	(4,726)
Receivables of Factoring	602	718
Prepayments on taxes on income	311	228
Other accounts receivable and assets	5,685	4,463
III. Cash and cash equivalents	6,337	11,172
C. Deferred expenses	168	252
D. Deferred tax assets	853	931
	114,716	114,464

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Group Balance Sheet II

EQUITY and LIABILITIES (in kEUR)	03-31-2024 (unaudited)	12-31-2023 (audited)
A. Equity capital	15,031	14,762
I. Subscribed Capital	40	40
II. Share Capital	(1)	(1)
III. Capital reserves	73,581	73,581
IV. Equity differences from exchange rates	2,075	1,312
V. Income reserves	(405)	0
V. Balance sheet profit/loss	(60,259)	(60,170)
B. Provisions	8,135	6,850
Provisions for taxes	4,432	4,128
Other provisions	3,703	2,722
C. Liabilities	91,635	92,786
I. Bonds	31,000	33,500
Senior secured bonds	31,000	33,500
Capitalized interest of Bonds		
II. Liabilities to banks	9,752	10,822
Bank Loans	6,376	7,914
Accrued interests on bank loans	1	1
Current account overdraft	3,375	2,907
III. Long term Investment loans	18,409	17,660
Long term investment loans	15,000	15,000
Capitalized interest of investment loans	3,409	2,660
IV. Trade accounts payable	29,500	28,090
Trade accounts payable	25,198	23,177
Trade accounts payable -Fin. Lease	4,302	4,913
VI. Other liabilities	2,973	2,715
Social security liabilities	895	310
Tax liabilities	518	996
Other liabilities	1,561	1,409
D. Deferred income	(469)	(317)
E. Deferred tax liabilities	384	383
	114,716	114,464

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Group Cash Flow Statement Q1 2024

Cash Flow Statement (in kEUR)	Q1 2024 (unaudited)	Q1 2023 (audited)
Profit for the period (consolidated net income/net loss including minority interests)	(329)	1,360
Depreciation, amortisation and write-downs of non-current assets	2,051	1,943
Increase/decrease of provisions	1,332	1,039
Other non-cash income/expenses	(66)	733
Increase/decrease in inventories, trade account receivables and other assets not attributable to investing or financing activities	(3,688)	(7,937)
Increase/decrease in trade account payables and other liabilities not attributable to investing or financing activities	360	1,799
Profit/loss from the disposal of non-current assets	(0)	(0)
Interest expenses/interests income	2,159	1,700
Income tax expense	809	578
Income tax payments	(723)	(46)
Effect of exchange rate movements on balance sheet items	(55)	(215)
Cash flow from operating activities	1,850	954
Proceeds from disposal of intangible assets	0	0
Cash outlays for investments in intangible assets	(337)	(359)
Proceeds from disposal of tangible fixed assets	0	0
Cash outlays for investments in tangible fixed assets	(757)	(2,270)
Interest received	117	38
Cash flow from investing activities	(977)	(2,591)
Proceeds from the issuance of Bonds and the raising of financial loans	(2,500)	0
Outlays from the repayment of financial loans	(1,070)	0
Outgoing/incoming payments related to financial lease	(611)	943
Interest paid	(1,527)	(1,318)
Cash flow from financing activities	(5,709)	(375)
Cash relevant changes of cash funds	(4,836)	(2,012)
Effect on cash funds from exchange rate movements and reevaluations		
Cash funds at the beginning of period	11,172	14,158
Cash funds at the end of period	6,336	12,146