

FINANCIAL GROUP REPORT 12M 2024 (UNAUDITED)

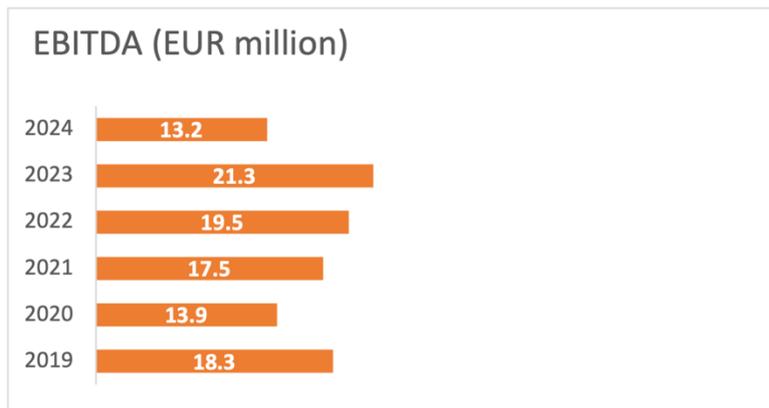
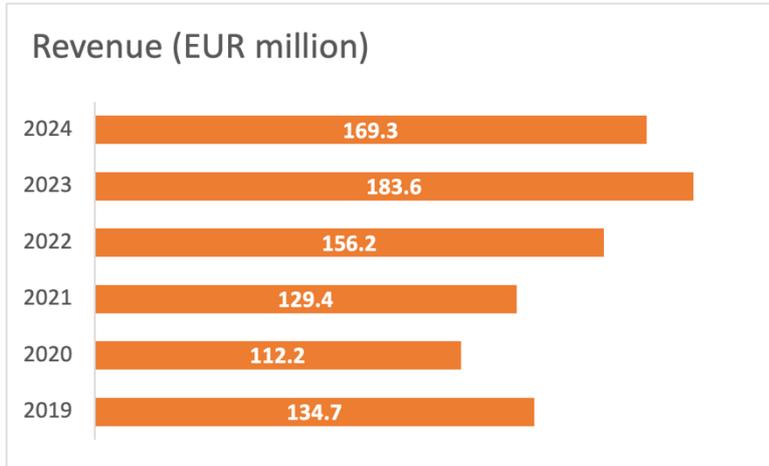


Booster Precision Components GmbH

Group Financial Report January to December 2024

Registered Office:
Industriepark Brundorf 4
28790 Schwanewede
Germany

Booster Precision Components GmbH
Financial Report
January to December 2024



Content

Management Comments.....	2
Group Profit and Loss Statement.....	6
Group Balance Sheet I: Assets.....	8
Group Balance Sheet II: Equity and Liabilities.....	9
Group Cash Flow Statement.....	10

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. It 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 and Mexico as well as two locations in Slovakia). All plants of the Booster Group follow the same functional 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 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

According to the International Monetary Fund (IMF), global economic growth of 3.2% in 2024 (2023: 3.3%) will remain close to the previous year's level amid ongoing geopolitical tensions and trade uncertainties. Economic developments are characterised by weak industrial production and low momentum in some major countries. While consumption recovered in some regions, trade uncertainties and cautious investment activity continued to weigh on the economy. Global inflation rates declined during the year, but remained above the long-term average at 5.7% (2023: 6.7%).

In the euro area (EU, EFTA & UK), for the Gross Domestic Product (GDP) a weak growth of just 0.8% in 2024 (2023: 0.4%) is recorded due to continued weakness in manufacturing and goods exports, while GDP in Germany stagnated at -0.2% (2023: -0.3%) ([IMF: World Economic Outlook, January 2025](#)). The main reasons for this, according to the German Federal Statistical Office (Destatis), were economic and structural difficulties such as increased competition in key export markets, high energy costs, a persistently high level of interest rates and an uncertain economic outlook ([Destatis: Press Release, 15 January 2025](#)).

While the US remained robust with growth of 2.8% (2023: 2.9%), mainly due to strong private consumption, the Chinese economy grew by 4.8%. (2023: 5.2%), supported by government stimulus measures but hampered by structural weaknesses in the real estate sector ([IMF: World Economic Outlook, January 2025](#)).

Booster Precision Components GmbH
Financial Report
January to December 2024

According to the German Association of the Automotive Industry (Verband der Automobilindustrie, VDA), the **international passenger car market** grew by 3% in 2024 to around 78.5 million newly registered passenger cars, returning to the pre-crisis level of 2019. In the **European market (EU, EFTA & UK)**, new registrations were only 1% above the previous year's level. In **Germany**, however, the latest VDA estimates show a downward trend. Only 2.8 million passenger car sales were registered in 2024, a slight decline of 1%. At 4.1 million units, German domestic passenger car production reached the previous year's level, while foreign production by German manufacturers fell by 5%.

In contrast to the generally subdued market development in Europe, the US and China were more dynamic. The **US** light vehicle market (passenger cars and light duty) was up by 2% to 15.9 million vehicles, while the **Chinese** market grew by 6% to 23.0 million vehicles ([Press Material for the VDA Annual Press Conference 2025, 21 January 2024](#)).

Earnings Position of the Group

Q4 2024

In the fourth quarter of 2024, revenues declined by -9.8% compared to the same quarter of the previous year and totaled EUR 40.7 million (Q4 2023: EUR 45.1 million).

Other income increased from EUR 1.2 million to EUR 1.3 million, which was mainly caused by an increased positive currency effect of EUR 0.5 million (Q4 2023: EUR 0.3 million).

Employee benefit costs amounted to EUR 9.4 million and were slightly below the previous year's quarter (Q4 2023: EUR 9.6 million). The employee benefit cost ratio in relation to output increased by 1.0 percentage points compared to Q4 2023.

Other operating expenses (OPEX) increased by EUR 0.6 million to EUR 6.6 million in Q4 2024 (Q4 2023: EUR 6.0 million), mainly because of an increased negative currency effect of EUR 0.5 million compared to EUR 0.2 million in the same quarter of the previous year. As a result, OPEX cost ratio increased by 2.5 percentage points to 16.7%.

Booster's EBITDA declined by 31.5% and amounted to EUR 3.5 million in the fourth quarter of 2024, compared to EUR 5.1 million in Q4 2023, while the EBITDA ratio went down by 3.3 percentage points to 9.0% (Q4 2023: 12.3%).

Earnings before interest and taxes (EBIT) amounted to EUR 1.2 million in Q4 2024 (Q4 2023: EUR 2.3 million), while the Group net result was negative at EUR -0.7 million (Q4 2023: EUR -0.6 million).

Full year of 2024

In 2024, BOOSTER recorded lower sales, resulting in a 7.8% contraction in revenues to EUR 169.3 million. This decline in demand aligns with the continued weakness in the automotive sector.

Other income fell significantly from EUR 4.5 million in 2023 to EUR 2.6 million in 2024. This was partially due to lower positive currency effects included, which amounted to EUR 1.1 million (2023: EUR 2.5 million).

Employee benefit costs slightly increased to EUR 38.5 million in 2024 compared to EUR 37.9 million in the previous year, driven by inflationary wage adjustments. Consequently, the employee benefit cost ratio in relation to output went up by 2.5 percentage points year-on-year.

Due to lower production volumes and cost-cutting measures, other operating expenses (OPEX) were reduced from EUR 30.4 million in 2023 to EUR 28.4 million in 2024. Despite this reduction, the OPEX cost ratio increased to 17.0% (2023: 16.6%). Excluding non-recurring costs of EUR 0.6 million related

Booster Precision Components GmbH
Financial Report
January to December 2024

to the subsequent bond issue in May 2024, OPEX were at EUR 27.8 million with an almost unchanged OPEX cost ratio of 16.7% (2023: 16.6%).

The company's EBITDA was negatively impacted by an unfavourable product mix and fell by 37.8%, to EUR 13.2 million compared to EUR 21.2 million in the previous year. The EBITDA ratio therefore went down by 3.7 percentage points to 7.9%. Excluding the one-off costs for the subsequent bond issue and other extraordinary items, there has been a 27.5% drop in EBITDA to EUR 15.3 million resulting in a 2.3 percentage point reduction in the EBITDA ratio.

EBIT reached EUR 4.4 million in 2024 (2023: EUR 12.5 million), representing a sharp 64.5% decline. The Group's net result turned negative at EUR -5.7 million compared to EUR 1.1 million in the same period of the previous year despite a slightly improved financial result of EUR -8.1 million (2023: EUR -8.5 million).

Balance Sheet

BOOSTER Group's total assets declined by 5.5% as of 31 December 2024 to EUR 108.2 million (31 December 2023: EUR 114.5 million).

Fixed assets were at EUR 42.0 million, a decrease of 3.2% (31 December 2023: EUR 43.4 million), while current assets went down by 7.1% to EUR 65.0 million as of 31 December 2024 (31 December 2023: EUR 69.9 million). The decrease in inventories and receivables and other assets reflects the lower sales volume as well as the working capital optimization efforts in the reporting period. Cash and cash equivalents increased by EUR 2.3 million to EUR 13.5 million.

Equity capital was significantly impacted by the negative Group net result, resulting in a decline of 49.0% to EUR 7.5 million as of 31 December 2024. Consequently, equity ratio decreased by 5.9 percentage points to 7.0%.

Compared to year-end 2023, other provisions went down by 5.7% as of 31 December 2024, due to lower provisions for consultancy fees.

Liabilities as per 31 December 2024 increased by EUR 0.4 million totaling EUR 93.1 million. Liabilities to banks rose by EUR 1.9 million and the item bonds rose by EUR 13.0 million to EUR 46.5 million due to the issue of subsequent bonds in order to refinance long term investment loans in the amount of EUR 17.7 million plus current interest of EUR 1.3 million in May 2024.

The financial indebtedness as of 31 December 2024 as defined in the bond terms amounts to EUR 65.8 million and the net interest-bearing debt to EUR 52.3 million. Considering LTM-Adjusted-EBITDA of EUR 15.3 million the leverage is 3.4, which is below the maintenance covenant of 3.5.

Cash Flow Statement

In 2024, the cash flow from operating activities improved significantly and totaled EUR 17.7 million (2023: EUR 7.2 million). The disciplined working capital optimization efforts were a key driver of this positive development, while the net loss for the period had a negative effect.

Cash flow from investing activities decreased to EUR -3.8 million (2023: EUR -5.7 million) since production capacities, which had to be expanded as a result of the sharp rise in sales in 2023, were sufficiently available in 2024.

The financing cash flow is strongly negative at EUR -12.3 million (2023: EUR -5.9 million) in 2024, which mainly reflects a significant increase of interest paid of EUR -11.1 million (2023: EUR -6.3 million). This effect was slightly weakened by the declined outgoing payments related to financial lease of EUR -1.4 million (2023: EUR -3.2 million), while the repayment of financial loans of EUR -

Booster Precision Components GmbH
Financial Report
January to December 2024

13.1 million (2023: EUR 6.6 million) was slightly higher than the proceeds from the issuance of bonds in the amount of EUR 13.3 million (2023: EUR -1.5 million).

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.

The following risks are currently arising from the economic environment: The sector risk has materialised due to the global decline in car production figures, while the currency risk has arisen due to negative currency effects resulting from the weaker Mexican peso.

The Opportunity and Risk Report will be updated as part of the preparation of the audited Group Annual Report 2024, which will be published by 30 April 2025.

Outlook

Considering the current business development, BOOSTER's management expects a stabilization in demand and anticipates that the cost reduction measures initiated last year will continue to deliver results. The management assumes revenues to remain stable year over year (2024: EUR 169.3 million) and earnings to increase by more than 20% in 2025 (EBITDA 2024: EUR 13.2 million).

Booster Precision Components GmbH
Financial Report
January to December 2024

Group Profit and Loss Statement, October to December (Q4) 2024

	Q4 2024		Q4 2023		Deviation	
	in kEUR	% of output	in kEUR	% of output	in kEUR	% change
	(unaudited)		(audited)		Deviation	
Revenues (Net sales)	40,681		45,083		(4,402)	(9.8)
Changes in self-produced goods	(1,399)		(3,144)		1,745	(55.5)
Output	39,282		41,939		(2,657)	(6.3)
Self-produced and capitalised assets	5	0.0	204	0.5	(199)	(97.3)
Other income	1,278	3.3	1,241	3.0	37	3.0
<i>thereof - Income from FX-Effect</i>	507		276		231	83.5
Raw material, consumables and services	(21,045)	(53.6)	(22,588)	(53.9)	1,543	(6.8)
Employee benefits cost	(9,396)	(23.9)	(9,626)	(23.0)	230	(2.4)
Other operating expenses (OPEX)	(6,559)	(16.7)	(5,966)	(14.2)	(593)	9.9
<i>thereof - Expense from FX-Effect</i>	(533)		(307)		(225)	73.2
Other taxes	(40)	(0.1)	(57)	(0.1)	17	(30.0)
EBITDA	3,526	9.0	5,147	12.3	(1,621)	(31.5)
Depreciation on tangible assets	(1,987)	(5.1)	(2,515)	(6.0)	528	(21.0)
EBITA	1,539	3.9	2,632	6.3	(1,093)	(41.5)
Amortisation on intangible assets	(349)	(0.9)	(294)	(0.7)	(56)	18.9
Operating Income (EBIT)	1,190	3.0	2,338	5.6	(1,149)	(49.1)
Financial result	(1,555)	(4.0)	(2,313)	(5.5)	758	(32.8)
Taxes on income	(369)	(0.9)	(630)	(1.5)	260	(41.4)
Net profit	(735)	(1.9)	(604)	(1.4)	(131)	21.7

Booster Precision Components GmbH
Financial Report
January to December 2024

Group Profit and Loss Statement, Full Year 2024

	2024		2023		Deviation	
	in kEUR	% of output	in kEUR	% of output	in kEUR	% change
	(unaudited)		(audited)		Deviation	
Revenues (Net sales)	169,266		183,592		(14,327)	(7.8)
Changes in self-produced goods	(2,721)		(60)		(2,660)	4,400.8
Output	166,545		183,532		(16,987)	(40.5)
Self-produced and capitalised assets	391	0.2	322	0.2	69	21.5
Other income	2,610	1.6	4,499	2.5	(1,889)	(42.0)
<i>thereof - Income from FX-Effect</i>	1,106		2,473		(1,367)	(55.3)
Raw material, consumables and services	(89,302)	(53.6)	(98,719)	(53.8)	9,417	(9.5)
Employee benefits cost	(38,487)	(23.1)	(37,845)	(20.6)	(642)	1.7
Other operating expenses (OPEX)	(28,394)	(17.0)	(30,432)	(16.6)	2,037	(6.7)
<i>thereof - Expense from FX-Effect</i>	(1,653)		(3,019)		1,366	(45.3)
Other taxes	(153)	(0.1)	(121)	(0.1)	(32)	26.3
EBITDA	13,210	7.9	21,236	11.6	(8,026)	(37.8)
Depreciation on tangible assets	(7,641)	(4.6)	(7,780)	(4.2)	139	(1.8)
EBITA	5,569	3.3	13,456	7.3	(7,887)	(58.6)
Amortisation on intangible assets	(1,120)	(0.7)	(929)	(0.5)	(192)	20.6
Operating Income (EBIT)	4,449	2.7	12,527	6.8	(8,079)	(64.5)
Financial result	(8,072)	(4.8)	(8,457)	(4.6)	385	(4.5)
Taxes on income	(2,073)	(1.2)	(3,002)	(1.6)	929	(30.9)
Net profit	(5,697)	(3.4)	1,069	0.6	(6,765)	(633.1)

Booster Precision Components GmbH
 Financial Report
 January to December 2024

Group Balance Sheet I

ASSETS (in kEUR)	12-31-2024 (unaudited)	12-31-2023 (audited)
A. Fixed Assets	41,985	43,372
I. Intangible assets	5,522	5,659
II. Tangible assets	36,460	37,710
Land and buildings	2,091	1,640
Technical equipment and machinery	32,746	30,123
Other equipment	1,115	1,399
CIP and prepayments of fixed assets	508	4,548
III. Financial assets	2	2
B. Current assets	64,968	69,909
I. Inventories	25,007	29,370
II. Receivables and other assets	26,468	29,367
Trade accounts receivable	26,467	28,683
Liabilities of Factoring Off-Balance	(6,175)	(4,726)
Receivables of Factoring	2,397	718
Prepayments on taxes on income	231	228
Other accounts receivable and assets	3,548	4,463
III. Cash and cash equivalents	13,493	11,172
C. Deferred expenses	408	252
D. Deferred tax assets	839	931
	108,200	114,464

Booster Precision Components GmbH
Financial Report
January to December 2024

Group Balance Sheet II

EQUITY and LIABILITIES (in kEUR)	12-31-2024 (unaudited)	12-31-2023 (audited)
A. Equity capital	7,524	14,762
I. Subscribed Capital	(355)	40
II. Share Capital	(1)	(1)
III. Capital reserves	74,126	73,581
IV. Equity differences from exchange rates	(325)	1,312
V. Income reserves	1,643	-
V. Balance sheet profit/loss	(67,564)	(60,170)
B. Provisions	7,168	6,850
Provisions for taxes	4,601	4,128
Other provisions	2,567	2,722
C. Liabilities	93,139	92,786
I. Bonds	46,500	33,500
Senior secured bonds	46,500	33,500
II. Liabilities to banks	12,767	10,822
Bank Loans	9,010	7,914
Accrued interests on bank loans	1	1
Current account overdraft	3,756	2,907
III. Long term investment loans	-	17,660
Long term investment loans	-	15,000
Capitalized interest of investment loans	-	2,660
IV. Trade accounts payable	32,082	28,090
Trade accounts payable	25,602	23,177
Trade accounts payable -Fin. Lease	6,481	4,913
VI. Other liabilities	1,790	2,714
Social security liabilities	705	310
Tax liabilities	546	996
Other liabilities	538	1,408
D. Deferred income	(10)	(317)
E. Deferred tax liabilities	379	383
	108,200	114,464

Booster Precision Components GmbH
Financial Report
January to December 2024

Group Cash Flow Statement, Full Year 2024

Cash flow Statement (in kEUR)	2024 (unaudited)	2023 (audited)
Net result for the period (consolidated net income/net loss including minority interests)	(5,697)	1,068
Depreciation, amortisation and write-downs of non-current assets	8,762	8,709
Increase/decrease of provisions	318	(3,467)
Other non-cash income/expenses	239	146
Increase/decrease in inventories, trade account receivables and other assets not attributable to investing or financing activities	7,262	(7,279)
Increase/decrease in trade account payables and other liabilities not attributable to investing or financing activities	1,841	(1,419)
Gain/loss from the disposal of non-current assets	(206)	(405)
Interest expenses/interests income	7,898	8,457
Income tax expense	2,073	3,002
Income tax payments	(2,526)	(2,545)
Effect of exchange rate movements on balance sheet items	(2,235)	917
Cash flow from operating activities	17,729	7,184
Cash outflows for investments in intangible assets	(983)	(1,766)
Proceeds from disposal of tangible fixed assets	206	2,429
Cash outflows for investments in tangible fixed assets	(3,381)	(6,643)
Interest received	385	321
Cash flow from investing activities	(3,774)	(5,659)
Proceeds from the issuance and repayments of Bonds	13,270	(1,500)
Proceeds from the raising and repayment of financial loans	(13,055)	6,611
Outgoing/incoming payments related to financial lease	(1,443)	(3,168)
Interest paid	(11,102)	(6,344)
Payments to Shareholder	-	(22)
Cash flow from financing activities	(12,330)	(4,423)
Cash relevant changes of cash funds	1,625	(2,898)
Effect on cash funds from exchange rate movements and revaluations	696	(88)
Cash funds at the beginning of period	11,172	14,158
Cash funds at the end of period	13,493	11,172