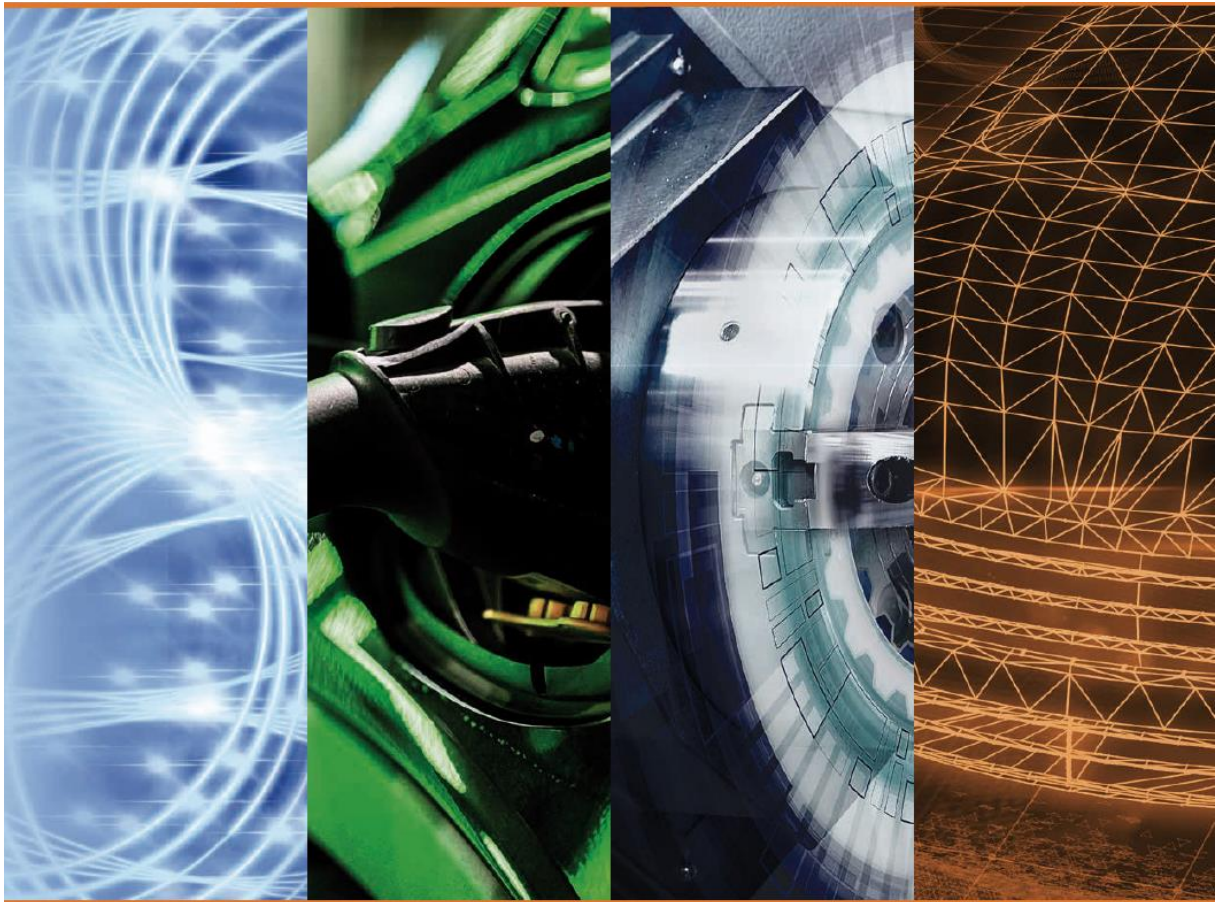


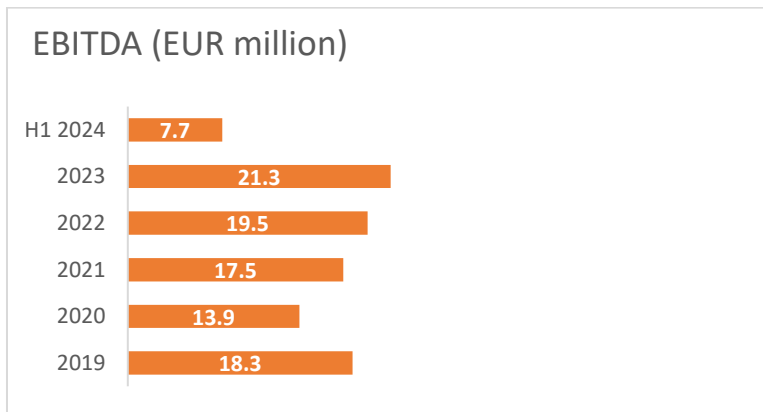
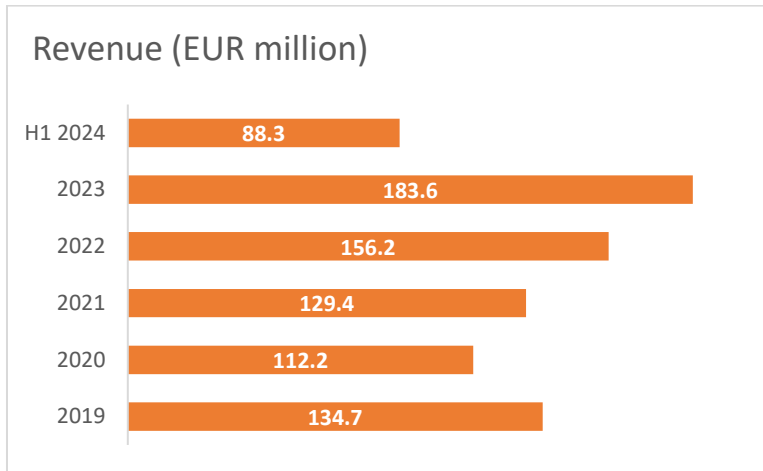
FINANCIAL GROUP REPORT H1 2024 (UNAUDITED)



Booster Precision Components GmbH
Group Financial Report January to June 2024

Registered Office:
Bockenheimer Landstraße 93
60325 Frankfurt
Germany

Booster Precision Components GmbH
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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. 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 latest forecast of the International Monetary Fund (IMF), global economic growth is estimated at 3.2% in 2024 ([IMF: World Economic Outlook, July 2024](#)). In particular, the rise in interest rates as part of the fight against inflation is holding back economic development. The IMF experts believe that ongoing geopolitical risks and trade tensions make a normalization of monetary policy difficult to achieve. In its April forecast ([IMF: World Economic Outlook, April 2024](#)), the IMF estimated the global inflation rate for the current year at an expected 5.9% (2023: 6.8%).

In the first half of 2024, the euro area (EU, EFTA & UK) showed first signs of a slow recovery from the negative impacts of the ongoing war in Ukraine, driven mainly by a rebound in the services sector. As a result, the IMF revised its April forecast for the euro area slightly upwards by 0.1 percentage points and expects economic growth of 0.9% in 2024 (2023: 0.5%). According to the current forecast, Germany's gross domestic product (GDP) will increase by 0.2% (2023: -0.2%). Economic growth rates for the US and China are projected at 2.6% (2023: 2.5%) and 5.0% (2023: 5.2%) respectively ([IMF: World Economic Outlook, July 2024](#)).

After the first half of 2024, the German Association of the Automotive Industry (Verband der Automobilindustrie, VDA) reports that international passenger car markets have performed positively for the most part compared to the same period of the previous year. The European market (EU, EFTA

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& UK) grew by 4%, but it is still 18% below the pre-crisis level of 2019. In the US, the light vehicle market (passenger cars and light duty) went up by 2% year-on-year, while passenger car sales in China increased by 3% in the first six months of 2024. However, considering the weak consumer situation in China, there were significant market declines in Q2 2024 ([VDA: Press Release, 28 July 2024](#)).

The positive development of the passenger car sales markets contrasts with the downward trend in global passenger car production in the first half of 2024. While the cars sold in the first six months of the year were produced in previous quarters – and mostly ordered even longer ago – VDA data shows that German passenger car production fell by 6% in this period year-on-year ([VDA: Press Release, 3 July 2024](#)). The outlook for the global automotive industry in the second half of 2024 remains difficult, according to S&P Global Mobility, leading provider of data and forecasts for the automotive market: Car manufacturers are confronted with regional demand dynamics and inventory levels, leading to a significant reduction in production forecasts ([S&P Global Mobility: July Light Vehicle Production Forecast, 18 July 2024](#)).

Earnings Position of the Group

Q2 2024

In the second quarter of 2024 revenues decreased by -4.3% compared to Q2 2023 and amounted to EUR 44.9 million (Q2 2023: EUR 46.9 million).

Other income came down from EUR 1.1 million to EUR 0.3 million due to a decline of EUR 0.7 million in currency effects.

At EUR 9.8 million employee benefit costs were slightly lower than in the same quarter of the previous year (Q2 2023: EUR 9.9 million). The employee benefit cost ratio in relation to output displayed an increase of 3.1 percentage points compared to Q2 2023.

Other operating expenses (OPEX) displayed a moderate decline of EUR 0.2 million from EUR 8.3 million to EUR 8.1 million in Q2 2024 and OPEX cost ratio increased by 2.2 percentage points. The decline in OPEX – as a result of lower production volumes and cost-cutting measures – was largely offset by one-off costs of EUR 0.6 million related to the subsequent bond issue. Excluding these one-off costs, the decline in OPEX amounts to EUR 0.8 million and the increase in the OPEX cost ratio is 0.8 percentage points accordingly.

In Q2 2024, Booster's EBITDA fell by 43.3% and amounted to EUR 3.2 million, compared to EUR 5.6 million in Q2 2023. The EBITDA ratio went down by 3.9 percentage points down to 7.5% in the reporting period compared to 11.4% in the same quarter of the previous year. Adjusted for the one-off consultancy costs for the subsequent bond issue, EBITDA amounts to EUR 3.8 million (EBITDA ratio of 8.9%)

Earnings before interest and taxes (EBIT) amounted to EUR 1.0 million in Q2 2024 (Q2 2023: EUR 3.6 million) and Group net income was negative at EUR -1.6 million (Q2 2023: EUR 0.5 million).

H1 2024

The first half of 2024 was characterized by lower-than-expected demand, which led to a 6.3% decline in revenues totaling EUR 88.3 million (H1 2023: EUR 94.3 million). The lower demand is in line with the current subdued sector performance.

Other income went significantly down from EUR 2.1 million to EUR 0.8 million due to reduced currency effects by EUR 1.2 million.

Employee benefit costs moderately rose by 5.1% to EUR 19.9 million in the first six months (H1 2023: EUR 18.9 million). This increase was driven by rising wages due to inflation. The employee benefit cost ratio in relation to output went up by 3.3 percentage points compared to H1 2023.

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The decrease of other operating expenses (OPEX) to EUR 15.3 million (H1 2023: EUR 16.6 million) was mainly a result of lower production volumes and cost-cutting measures. OPEX cost ratio slightly rose by 0.5 percentage points compared to the first half of the previous year. Excluding non-recurring costs for the subsequent bond issue of EUR 0.6 million, OPEX were at EUR 14.7 million with an OPEX cost ratio down by 0.2 percentage points.

Booster's EBITDA suffered a decline of 31.3% and amounted to EUR 7.7 million in the reporting period (H1 2023: EUR 11.2 million) and the EBITDA ratio went down by 2.7 percentage points to 8.8% (H1 2023: 11.4%). Excluding the one-off costs for the subsequent bond issue, EBITDA is at EUR 8.3 million, which corresponds to a decrease of 25.9% and an EBITDA ratio, which fell by 1.9 percentage points to 9.5%.

Earnings before interest and taxes (EBIT) amounted to EUR 3.4 million in the first six months of 2024 compared to EUR 7.3 million in the previous year. Group net income was negative at EUR -2.0 million (H1 2023: EUR 1.9 million).

Balance Sheet

As of 30 June 2024, BOOSTER Group's total assets amounted to EUR 109.6 million (12-31-2023: EUR 114.5 million).

Fixed assets were at EUR 42.4 million, a decrease of 2.2% compared to 31 December 2023 (EUR 43.4 million), and current assets went down by 5.4% from EUR 69.9 million to EUR 66.1 million as of 30 June 2024. While inventories and receivables and other assets experienced a slight increase of EUR 0.3 million and EUR 1.1 million, respectively, cash and cash equivalents decreased by EUR 5.1 million to EUR 6.1 million.

Equity capital went down by 18.2% to EUR 12.1 million as of 30 June 2024 due to the negative group net income and negative currency translation effects from the Mexican peso compared to EUR 14.8 million at the end of 2023. Consequently, equity ratio decreased by 1.87 percentage points to 11.0%.

Compared to year-end 2023, other provisions were 32.5% higher as at 30 June 2024, due to increased provisions for employee benefit costs.

Liabilities as per 30 June 2024 reduced by EUR 3.1 million totaling EUR 89.7 million. Liabilities to banks, trade accounts payable and other liabilities saw a slight reduction, whereas the item bonds increased by EUR 15.5 million. This was 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.

As of 30 June 2024, the financial indebtedness as defined in the bond terms amounts to EUR 63.9 million and the net interest-bearing debt to EUR 57.9 million. Considering LTM-Adjusted-EBITDA of EUR 19.4 million the leverage is 3.0, which is below the maintenance covenant of 3.75.

Cash Flow Statement

In the first half of 2024, the BOOSTER Group generated a cash flow from operating activities of EUR 6.1 million (H1 2023: EUR 2.0 million) due to significantly lower increase of working capital.

Due to a lower proportion of leasing, the cash flow from investing activities went down to EUR -2.4 million (H1 2023: EUR -1.7 million). This was driven by a lower proportion of leasing while at the same time investing activities decreased since production capacities, which had to be expanded as a result of the sharp rise in sales in 2023, were sufficiently available in 2024.

In the first half of 2024, the financing cash flow amounted to EUR -8.1 million (H1 2023: EUR -5.5 million), which reflects increased interest paid of EUR 7.0 million (H1 2023: EUR 4.1 million) as well as outgoing payments related to financial lease of EUR -1.3 million (H1 2023: EUR -2.9 million).

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Proceeds from the issuance of bonds and the outflows from the repayment of the long term investment loans almost offset each other.

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.

Outlook

Based on the development of business to date, Booster's original full-year forecast has been adjusted, because Booster's revenue and earnings performance has fallen short of expectations mainly due to lower-than-expected demand and an unfavourable product mix. As declared in the ad hoc announcement on 6 August 2024, Booster now assumes a revenue decline of up to 10% (2023: EUR 183.6 million) and a decline of up to 20% (excluding extraordinary items) in earnings (EBITDA 2023: EUR 21.3 million). The original forecast anticipated a moderate single-digit percentage increase in revenues (2023: EUR 183.6 million) and a moderate increase in earnings (EBITDA 2023: EUR 21.1 million).

The management will review and consider potential impacts of the significant changes in the current market environment as part of its corporate planning for the financial year 2025 and following.

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Group Profit and Loss Statement, April to June (Q2)

	Q2 2024		Q2 2023		Deviation	
	in kEUR	% of output	in kEUR	% of output	in kEUR	% change
	(unaudited)		(unaudited)		Deviation	
Revenue (Net sales)	44,920		46,930		(2,010)	(4.3)
Changes in self-produced goods	(2,365)		2,413		(4,778)	(198.0)
Output	42,555		49,343		(6,788)	(13.8)
Other income	331	0.8	1,067	2.2	(737)	(69.0)
<i>thereof - Income from FX-Effect</i>	103		805		(703)	(87.3)
Raw material, consumables and services	(21,702)	(51.0)	(26,583)	(53.9)	4,881	(18.4)
Employee benefits cost	(9,829)	(23.1)	(9,883)	(20.0)	53	(0.5)
Other operating expenses (OPEX)	(8,125)	(19.1)	(8,337)	(16.9)	211	(2.5)
<i>thereof - Expense from FX-Effect</i>	(495)		(826)		330	(40.0)
Other taxes	(54)	(0.1)	(12)	(0.0)	(42)	363.1
EBITDA	3,174	7.5	5,596	11.3	(2,422)	(43.3)
Depreciation of tangible assets	(1,827)	(4.3)	(1,767)	(3.6)	(60)	3.4
EBITA	1,348	3.2	3,829	7.8	(2,481)	(64.8)
Amortisation of intangible assets	(354)	(0.8)	(214)	(0.4)	(140)	65.7
Operating Income (EBIT)	994	2.3	3,615	7.3	(2,622)	(72.5)
Financial result	(2,230)	(5.2)	(2,296)	(4.7)	66	(2.9)
Taxes on income	(400)	(0.9)	(783)	(1.6)	382	(48.8)
Net profit	(1,637)	(3.8)	537	1.1	(2,173)	(405.1)

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Group Profit and Loss Statement, H1 2024

	H1 2024		H1 2023		Deviation	
	in kEUR	% of output	in kEUR	% of output	in kEUR	% change
	(unaudited)		(unaudited)		Deviation	
Revenue (Net sales)	88,321		94,253		(5,931)	(6.3)
Changes in self-produced goods	(580)		3,530		(4,110)	(116.4)
Output	87,741		97,783		(10,042)	(10.3)
Other income	772	0.9	2,084	2.1	(1,313)	(63.0)
<i>thereof - Income from FX-Effect</i>	525		1,737		(1,211)	(69.8)
Raw material, consumables and services	(45,624)	(52.0)	(53,182)	(54.4)	7,559	(14.2)
Employee benefits cost	(19,876)	(22.7)	(18,906)	(19.3)	(970)	5.1
Other operating expenses (OPEX)	(15,255)	(17.4)	(16,553)	(16.9)	1,298	(7.8)
<i>thereof - Expense from FX-Effect</i>	(911)		(1,951)		1,040	(53.3)
Other taxes	(80)	(0.1)	(49)	(0.1)	(31)	64.0
EBITDA	7,678	8.8	11,177	11.4	(3,499)	(31.3)
Depreciation of tangible assets	(3,660)	(4.2)	(3,495)	(3.6)	(165)	4.7
EBITA	4,018	4.6	7,682	7.9	(3,664)	(47.7)
Amortisation of intangible assets	(572)	(0.7)	(429)	(0.4)	(143)	33.3
Operating Income (EBIT)	3,446	3.9	7,253	7.4	(3,807)	(52.5)
Financial result	(4,202)	(4.8)	(3,996)	(4.1)	(206)	5.2
Taxes on income	(1,209)	(1.4)	(1,361)	(1.4)	151	(11.1)
Net profit	(1,965)	(2.2)	1,897	1.9	(3,862)	(203.6)

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Group Balance Sheet I

ASSETS (in kEUR)	06-30-2024 (unaudited)	12-31-2023 (audited)
A. Fixed Assets	42,415	43,372
I. Intangible assets	6,018	5,659
II. Tangible assets	36,394	37,710
Land and buildings	1,425	1,640
Technical equipment and machinery	29,227	30,123
Other equipment	1,362	1,399
CIP and prepayments of fixed assets	4,381	4,548
III. Financial assets	3	2
B. Current assets	66,127	69,909
I. Inventories	29,629	29,370
II. Receivables and other assets	30,417	29,367
Trade accounts receivable	29,113	28,683
Liabilities of Factoring Off-Balance	(6,021)	(4,726)
Receivables of Factoring	2,123	718
Prepayments on taxes on income	101	228
Other accounts receivable and assets	5,101	4,463
III. Cash and cash equivalents	6,080	11,172
C. Deferred expenses	847	931
D. Deferred tax assets	119	252
	109,508	114,464

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Group Balance Sheet II

EQUITY and LIABILITIES (in kEUR)	06-30-2024 (unaudited)	12-31-2023 (audited)
A. Equity capital	12,080	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	928	1,312
V. Income reserves	2,489	-
VI. Balance sheet profit/loss	(64,958)	(60,170)
B. Provisions	7,792	6,850
Provisions for taxes	4,186	4,128
Other provisions	3,606	2,722
C. Liabilities	89,683	92,786
I. Bonds	49,000	33,500
Senior secured bonds	49,000	33,500
II. Liabilities to banks	10,460	10,822
Bank Loans	7,972	7,914
Accrued interests on bank loans	1	1
Current account overdraft	2,488	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	27,523	28,090
Trade accounts payable	23,051	23,177
Trade accounts payable -Fin. Lease	4,472	4,913
V. Other liabilities	2,700	2,714
Social security liabilities	449	310
Tax liabilities	473	996
Other liabilities	1,778	1,408
D. Deferred income	(428)	(317)
E. Deferred tax liabilities	381	383
	109,508	114,464

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Group Cash Flow Statement H1 2024

Cash flow Statement (in kEUR)	H1 2024 (unaudited)	H1 2023* (unaudited)
Profit for the period (consolidated net income/net loss including minority interests)	(1,965)	1,897
Depreciation, amortisation and write of non-current assets	4,232	3,924
Increase/decrease of provisions	885	(346)
Other non-cash income/expenses	213	201
Increase/decrease in inventories, trade account receivables and other assets not attributable to investing or financing activities	(1,309)	(10,639)
Increase/decrease in trade account payables and other liabilities not attributable to investing or financing activities	205	3,075
Gain/loss on disposal of non-current assets	(0)	(10)
Interest expenses/interests income	4,202	3,996
Income tax expense	1,209	1,346
Income tax payments	(1,547)	(1,410)
Cash flow from operating activities	6,123	2,034
Cash outflows for investments in intangible assets	(600)	(86)
Proceeds from disposal of tangible fixed assets	-	307
Cash outflows for investments in tangible fixed assets	(2,007)	(1,936)
Interest received	230	67
Cash flow from investing activities	(2,377)	(1,647)
Proceeds from the issuance of Bonds and the raising of financial loans	15,500	1,256
Outflows/Proceeds from the repayment of financial loans	(15,362)	292
Outgoing payments related to financial lease	(1,277)	(2,942)
Interest paid	(6,983)	(4,063)
Cash flow from financing activities	(8,121)	(5,457)
Cash relevant changes of cash funds	(4,375)	(5,071)
Effect on cash funds from exchange rate movements and revaluations	(717)	868
Cash funds at the beginning of period	11,172	14,158
Cash funds at the end of period	6,080	9,955

*The previous year's figures have been adjusted.