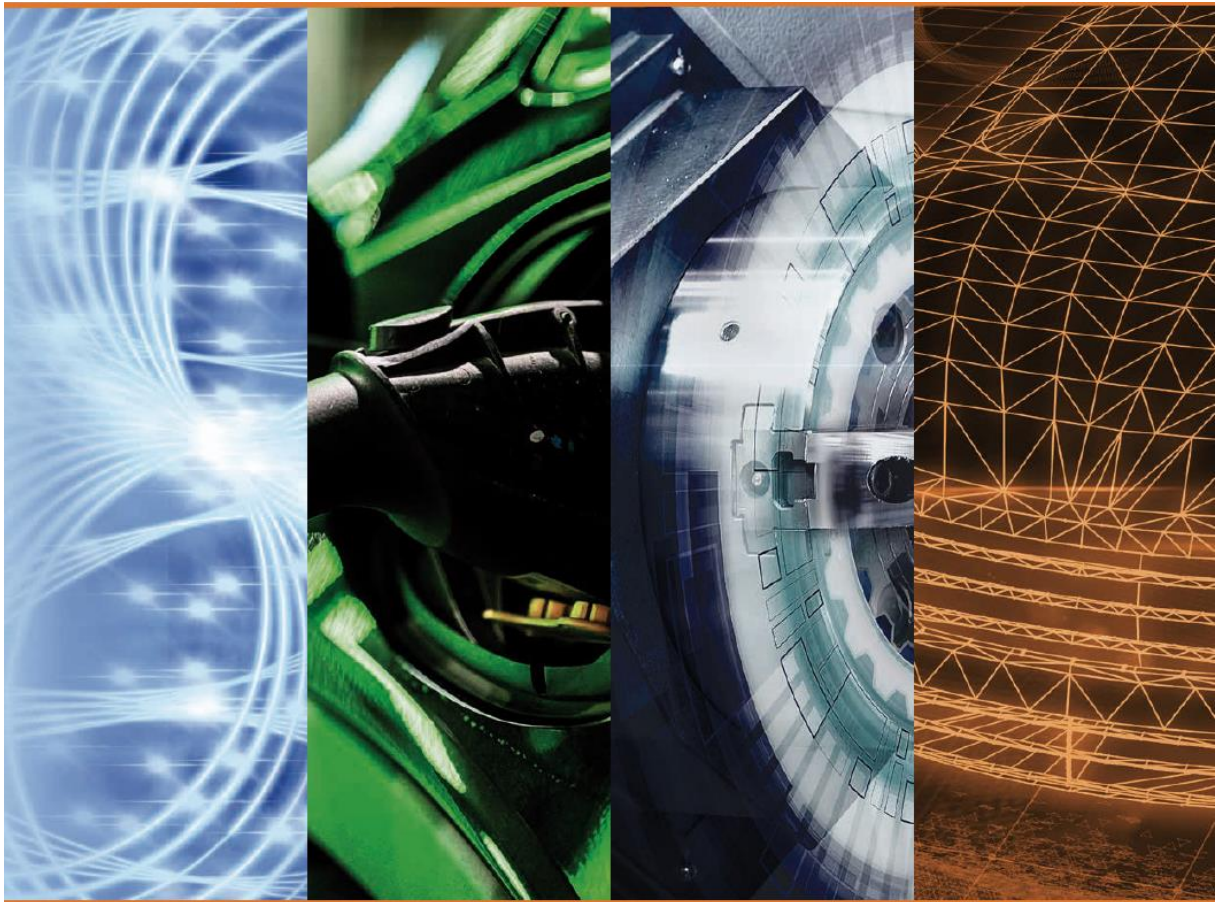


## FINANCIAL GROUP REPORT 9M 2024 (UNAUDITED)



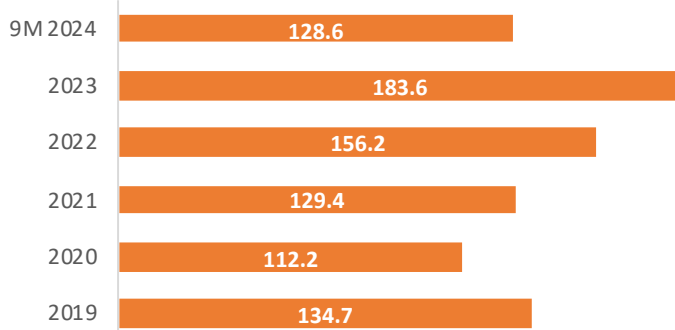
**Booster Precision Components GmbH**

**Group Financial Report January to September 2024**

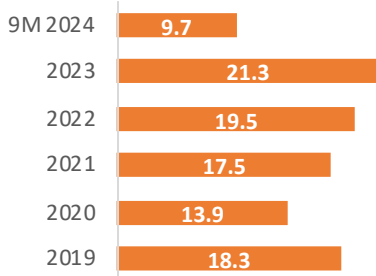
Registered Office:  
Bockenheimer Landstraße 93  
60325 Frankfurt  
Germany

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Revenue (EUR million)



EBITDA (EUR million)



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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

The International Monetary Fund (IMF) expects global economic growth to stabilise at 3.2% in 2024 (2023: 3.3%) ([IMF: World Economic Outlook, October 2024](#)). This stabilisation reflects a moderate recovery at varying speeds across regions. While persistent inflationary pressure is gradually easing, risks such as geopolitical tensions and ongoing challenges to market stabilisation remain. The global inflation rate for 2024 is estimated at 5.8% (2023: 6.7%).

The IMF projects Gross Domestic Product (GDP) in the euro area (EU, EFTA & UK) to pick up by a modest 0.8% in 2024 (2023: 0.4%), primarily driven by improved export performance and a slight upturn in domestic demand, while Germany is struggling with zero growth (2023: -0.3%). The German economy faces significant challenges due to fiscal consolidation and declines in the real estate sector. In the US, moderate economic growth of 2.8% is forecasted for 2024 (2023: 2.9%), driven by continued robust consumer demand and a slight upturn in investment activity, while the economic growth rate for China is projected at 4.8% (2023: 5.2%) ([IMF: World Economic Outlook, October 2024](#)).

According to the German Association of the Automotive Industry (Verband der Automobilindustrie, VDA), the development of international passenger car markets was mixed in the first nine months of 2024. In a difficult macroeconomic environment, new registrations in the European market (EU, EFTA

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& UK) were only 1% above the previous year's level, while passenger car sales in Germany fell slightly by -1%. In the US, the light vehicle market (passenger cars and light duty) was only slightly up by 0.7% year-on-year, while passenger car sales in China increased by 2% in the first nine months of the year. Unlike Europe and the US, the Chinese passenger car market is above the pre-crisis level of 2019 ([VDA: Press Release, 22 October 2024](#)).

The VDA data shows that German passenger car production (-1% year-on-year) is in line with the current downward trend of the German passenger car sales ([VDA: Press Release, 4 October 2024](#)). In addition, a recent VDA survey of German automotive suppliers shows that the weakness of the European economy as a whole and the current weakness of the European car market are increasingly affecting medium sized automotive companies. Two out of three stated that the order situation was becoming increasingly problematic and that high order backlogs of the past had finally been eroded ([VDA: Press Release, 5 November 2024](#)). In accordance with the VDA's observation, S&P Global Mobility's, leading provider of data and forecasts for the automotive market, current forecast for global light vehicle production has been revised downwards in the short to medium term, reflecting the ongoing challenges of managing production and inventory levels amid volatile demand and uncertainties surrounding the introduction of electric vehicles ([S&P Global Mobility: September Light Vehicle Production Forecast, 17 September 2024](#)).

## Earnings Position of the Group

### Q3 2024

In the third quarter of 2024 revenues declined by -9.0% compared to Q3 2023 and amounted to EUR 40.3 million (Q3 2023: EUR 44.3 million).

Other income was down from EUR 1.2 million to EUR 0.6 million due to a decrease of EUR 0.4 million in currency effects.

Employee benefit costs amounted to EUR 9.2 million and were slightly lower than in previous year's quarter (Q3 2023: EUR 9.3 million). The employee benefit cost ratio in relation to output increased by 2.1 percentage points compared to Q3 2023.

Other operating expenses (OPEX) declined by EUR 1.3 million from EUR 7.9 million to EUR 6.6 million in Q3 2024, which reflects lower production volumes and cost-cutting measures. OPEX cost ratio fell by 1.4 percentage points to 16.7%.

In Q3 2024, Booster's EBITDA recorded a decline of 59.4% and amounted to EUR 2.0 million, compared to EUR 4.9 million in Q3 2023. The EBITDA ratio went down by 6.2 percentage points to 5.0% in the reporting period compared to 11.2% in the same quarter of the previous year.

Earnings before interest and taxes (EBIT) totaled EUR -0.2 million in Q3 2024 (Q3 2023: EUR 3.0 million) and Group net result was negative at EUR -2.7 million (Q3 2023: EUR -0.2 million).

### First Nine Months of 2024

In the first nine months of 2024, BOOSTER faced a significant drop in demand, which led to a 7.2% decline in revenues amounting to EUR 128.6 million (9M 2023: EUR 138.5 million). The decline in demand is in line with the current subdued performance of the automotive sector.

Other income fell significantly from EUR 3.3 million in the first nine months of 2023 to EUR 1.3 million in 2024. This was partially due to lower positive currency effects included in the amount of EUR 0.6 million (9M 2023: EUR 2.2 million).

Employee benefit costs slightly increased to EUR 29.1 million in the first nine months of 2024 compared to EUR 28.2 million in the previous year because of rising wages due to inflation. The employee benefit cost ratio in relation to output went up by 2.9 percentage points year-on-year.

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Lower production volumes and cost-cutting measures led to a reduction in other operating expenses (OPEX) from EUR 24.5 million in the first nine months of 2023 to EUR 21.8 million in 2024. Despite this reduction, the OPEX cost ratio remained almost unchanged. Excluding non-recurring costs of EUR 0.6 million for the subsequent bond issue in May 2024, OPEX were at EUR 21.2 million with an OPEX cost ratio down by 0.6 percentage points.

The company's EBITDA fell significantly by 39.8%, to EUR 9.7 million compared to EUR 16.1 million in the first nine months of the previous year. An unfavourable product mix and negative currency translation effects due to the weakened Mexican peso had a negative effect on EBITDA. The EBITDA ratio therefore went down by 3.8 percentage points. Excluding the one-off costs for the subsequent bond issue, there has been a 36.1% drop in EBITDA to EUR 10.3 million resulting in a 3.3 percentage point reduction in the EBITDA ratio.

EBIT amounted to EUR 3.3 million in the first nine months of 2024 (9M 2023: EUR 10.2 million), which is a decrease of -68.0%. The Group net result was negative at EUR -5.0 million compared to EUR 1.7 million in the same period in 2023.

### Balance Sheet

BOOSTER Group's total assets as of 30 September 2024 fell by 12.3% to EUR 100.4 million (31 December 2023: EUR 114.5 million).

Fixed assets were at EUR 40.9 million, a decrease of 5.8% compared to 31 December 2023 (EUR 43.4 million) and current assets went down by 16.2% from EUR 69.9 million to EUR 58.6 million as of 30 September 2024. The decrease of inventories and receivables and other assets reflects the significantly lower sales volume in the first nine months of 2024. Cash and cash equivalents decreased by EUR 4.2 million to EUR 6.9 million.

Equity capital went down by 48.8% to EUR 7.6 million as of 30 September 2024 due to the negative Group net result and negative currency translation effects from the Mexican peso. Consequently, equity ratio decreased by 5.4 percentage points to 7.5%.

Compared to year-end 2023, other provisions were 21.7% higher at 30 September 2024, due to increased provisions for employee benefit costs.

Liabilities as per 30 September 2024 were reduced by EUR 7.6 million totaling EUR 85.2 million. Liabilities to banks rose by EUR 1.1 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. On the contrary, trade accounts payable and other liabilities saw a reduction of EUR 3.8 million respectively EUR 0.2 million due to lower sales volumes.

As of 30 September 2024, the financial indebtedness as defined in the bond terms amounts to EUR 62.7 million and the net interest-bearing debt to EUR 55.7 million. Considering LTM-Adjusted-EBITDA of EUR 16.8 million the leverage is 3.3, which is below the maintenance covenant of 3.75.

### Cash Flow Statement

In the first nine months of 2024, the BOOSTER Group generated a cash flow from operating activities of EUR 11.1 million (9M 2023: EUR 2.5 million). The increase is mainly due the significant reduction of working capital, while the net loss for the period had a dampening effect.

Cash flow from investing activities of EUR -3.2 million shows a slight improvement (9M 2023: EUR -3.4 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.



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The financing cash flow is strongly negative at EUR -12.0 million (9M 2023: EUR -6.0 million) in the first nine months of 2024. The negative cash flow from financing activities is mainly driven by higher interest paid in the amount of EUR -9.0 million (9M 2023: EUR -4.4 million) and the repayment of long term investment loans of EUR -13.9 million (9M 2023: EUR 2.0 million) exceeding the proceeds from the issuance of bonds EUR of 13.0 million (9M 2023: EUR -1.5 million). The large year-on-year increase in interest paid is due to the fact that accrued interest in the amount of EUR 4.0 million was paid with the repayment of the long term investment loan.

### **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**

In light of the current business development, BOOSTER for 2024 assumes a revenue decline of about 10% (2023: EUR 183.6 million) and a decline of up to 25-30% (excluding extraordinary items) in earnings (EBITDA 2023: EUR 21.3 million). The management will review and consider potential impacts of the significant changes in the current market environment as well as counter measures as part of its corporate planning for the financial year 2025 and following. Management is closely monitoring leverage levels and taking necessary steps to ensure covenant compliance.

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Group Profit and Loss Statement, July to September (Q3) 2024

	Q3 2024		Q3 2023		Deviation	
	in kEUR	% of output	in kEUR	% of output	in kEUR	% change
	(unaudited)		(unaudited)		Deviation	
Revenue (Net sales)	40,263		44,257		(3,993)	(9.0)
Changes in self-produced goods	(742)		(447)		(295)	66.1
<b>Output</b>	<b>39,521</b>		<b>43,810</b>		<b>(4,289)</b>	<b>(9.8)</b>
Self-produced and capitalised assets	386	1.0	118	0.3	268	227.5
Other income	561	1.4	1,173	2.7	(613)	(52.2)
<i>thereof - Income from FX-Effect</i>	74		460		(387)	(84.0)
Raw material, consumables and services	(22,633)	(57.3)	(22,948)	(52.4)	316	(1.4)
Employee benefits cost	(9,227)	(23.3)	(9,313)	(21.3)	86	(0.9)
Other operating expenses (OPEX)	(6,581)	(16.7)	(7,913)	(18.1)	1,332	(16.8)
<i>thereof - Expense from FX-Effect</i>	(210)		(761)		551	(72.4)
Other taxes	(33)	(0.1)	(16)	(0.0)	(18)	112.6
<b>EBITDA</b>	<b>1,994</b>	<b>5.0</b>	<b>4,912</b>	<b>11.2</b>	<b>(2,918)</b>	<b>(59.4)</b>
Depreciation of tangible assets	(1,994)	(5.0)	(1,770)	(4.0)	(224)	12.7
<b>EBITA</b>	<b>(1)</b>	<b>(0.0)</b>	<b>3,142</b>	<b>7.2</b>	<b>(3,142)</b>	<b>(100.0)</b>
Amortisation of intangible assets	(199)	(0.5)	(206)	(0.5)	7	(3.4)
<b>Operating Income (EBIT)</b>	<b>(200)</b>	<b>(0.5)</b>	<b>2,936</b>	<b>6.7</b>	<b>(3,135)</b>	<b>(106.8)</b>
Financial result	(2,054)	(5.2)	(2,149)	(4.9)	94	(4.4)
Taxes on income	(495)	(1.3)	(1,011)	(2.3)	517	(51.1)
<b>Net result</b>	<b>(2,749)</b>	<b>(7.0)</b>	<b>(224)</b>	<b>(0.5)</b>	<b>(2,524)</b>	<b>1,125.6</b>

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Group Profit and Loss Statement, January to September (9M) 2024

	9M 2024		9M 2023		Deviation	
	in kEUR	% of output	in kEUR	% of output	in kEUR	% change
	(unaudited)		(unaudited)		Deviation	
Revenue (Net sales)	128,585		138,509		(9,925)	(7.2)
Changes in self-produced goods	(1,322)		3,083		(4,406)	(142.9)
<b>Output</b>	<b>127,262</b>		<b>141,593</b>		<b>(14,330)</b>	<b>(32.7)</b>
Self-produced and capitalised assets	386	0.3	118	0.1	268	227.5
Other income	1,332	1.0	3,258	2.3	(1,926)	(59.1)
<i>thereof - Income from FX-Effect</i>	599		2,197		(1,598)	(72.7)
Raw material, consumables and services	(68,256)	(53.6)	(76,131)	(53.8)	7,874	(10.3)
Employee benefits cost	(29,090)	(22.9)	(28,218)	(19.9)	(872)	3.1
Other operating expenses (OPEX)	(21,835)	(17.2)	(24,465)	(17.3)	2,630	(10.7)
<i>thereof - Expense from FX-Effect</i>	(1,120)		(2,712)		1,592	(58.7)
Other taxes	(114)	(0.1)	(65)	(0.0)	(49)	75.8
<b>EBITDA</b>	<b>9,684</b>	<b>7.6</b>	<b>16,089</b>	<b>11.4</b>	<b>(6,405)</b>	<b>(39.8)</b>
Depreciation of tangible assets	(5,654)	(4.4)	(5,265)	(3.7)	(389)	7.4
<b>EBITA</b>	<b>4,030</b>	<b>3.2</b>	<b>10,824</b>	<b>7.6</b>	<b>(6,794)</b>	<b>(62.8)</b>
Amortisation of intangible assets	(771)	(0.6)	(635)	(0.4)	(136)	21.4
<b>Operating Income (EBIT)</b>	<b>3,259</b>	<b>2.6</b>	<b>10,189</b>	<b>7.2</b>	<b>(6,930)</b>	<b>(68.0)</b>
Financial result	(6,516)	(5.1)	(6,144)	(4.3)	(372)	6.1
Taxes on income	(1,704)	(1.3)	(2,372)	(1.7)	668	(28.2)
<b>Net result</b>	<b>(4,961)</b>	<b>(3.9)</b>	<b>1,672</b>	<b>1.2</b>	<b>(6,634)</b>	<b>(396.6)</b>



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## Group Balance Sheet I

ASSETS (in kEUR)	09-30-2024 (unaudited)	12-31-2023 (audited)
<b>A. Fixed Assets</b>	<b>40,869</b>	<b>43,372</b>
<b>I. Intangible assets</b>	<b>5,564</b>	<b>5,659</b>
<b>II. Tangible assets</b>	<b>35,302</b>	<b>37,710</b>
Land and buildings	1,258	1,640
Technical equipment and machinery	29,459	30,123
Other equipment	1,329	1,399
CIP and prepayments of fixed assets	3,257	4,548
<b>III. Financial assets</b>	<b>2</b>	<b>2</b>
<b>B. Current assets</b>	<b>58,562</b>	<b>69,909</b>
<b>I. Inventories</b>	<b>26,721</b>	<b>29,370</b>
<b>II. Receivables and other assets</b>	<b>24,899</b>	<b>29,367</b>
Trade accounts receivable	25,603	28,683
Liabilities of Factoring Off-Balance	(6,566)	(4,726)
Receivables of Factoring	1,547	718
Prepayments on taxes on income	111	228
Other accounts receivable and assets	4,204	4,463
<b>III. Cash and cash equivalents</b>	<b>6,941</b>	<b>11,172</b>
<b>C. Deferred expenses</b>	<b>119,083</b>	<b>252,315</b>
<b>D. Deferred tax assets</b>	<b>828,966</b>	<b>930,614</b>
	<b>100,379</b>	<b>114,464</b>

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## Group Balance Sheet II

EQUITY and LIABILITIES (in kEUR)	09-30-2024 (unaudited)	12-31-2023 (audited)
<b>A. Equity capital</b>	<b>7,552</b>	<b>14,762</b>
I. Subscribed Capital	40	40
II. Share Capital	(1)	(1)
III. Capital reserves	73,581	73,581
IV. Equity differences from exchange rates	(1,792)	1,312
V. Income reserves	114	-
V. Balance sheet profit/loss	(64,390)	(60,170)
<b>B. Provisions</b>	<b>7,665</b>	<b>6,850</b>
Provisions for taxes	4,354	4,128
Other provisions	3,311	2,722
<b>C. Liabilities</b>	<b>85,164</b>	<b>92,786</b>
<b>I. Bonds</b>	<b>46,500</b>	<b>33,500</b>
Senior secured bonds	46,500	33,500
<b>II. Liabilities to banks</b>	<b>11,919</b>	<b>10,822</b>
Bank Loans	8,368	7,914
Accrued interests on bank loans	1	1
Current account overdraft	3,550	2,907
<b>III. Long term investment loans</b>	<b>0</b>	<b>17,660</b>
Long term investment loans	-	15,000
Capitalized interest of investment loans	-	2,660
<b>IV. Trade accounts payable</b>	<b>24,278</b>	<b>28,090</b>
Trade accounts payable	20,041	23,177
Trade accounts payable -Fin. Lease	4,237	4,913
<b>VI. Other liabilities</b>	<b>2,467</b>	<b>2,714</b>
Social security liabilities	333	310
Tax liabilities	489	996
Other liabilities	1,645	1,408
<b>D. Deferred income</b>	<b>(381)</b>	<b>(317)</b>
<b>E. Deferred tax liabilities</b>	<b>378</b>	<b>383</b>
	<b>100,379</b>	<b>114,464</b>

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## Group Cash Flow Statement 9M 2024

Cash flow Statement (in kEUR)	9M 2024 (unaudited)	9M 2023 (unaudited)
Net result for the period (consolidated net income/net loss including minority interests)	(4,961)	1,672
Depreciation, amortisation and write-downs of non-current assets	6,425	5,900
Increase/decrease of provisions	815	(2)
Other non-cash income/expenses	69	230
Increase/decrease in inventories, trade account receivables and other assets not attributable to investing or financing activities	7,000	(11,847)
Increase/decrease in trade account payables and other liabilities not attributable to investing or financing activities	(3,054)	268
Gain/loss from the disposal of non-current assets	(45)	(448)
Interest expenses/interest income	6,395	5,925
Income tax expense	1,704	(2,437)
Income tax payments	(293)	3,277
Effect of exchange rate movements on balance sheet items	(2,943)	
<b>Cash flow from operating activities</b>	<b>11,113</b>	<b>2,538</b>
Cash outflows for investments in intangible assets	(846)	(85)
Proceeds from disposal of tangible fixed assets	0	1,694
Cash outflows for investments in tangible fixed assets	(2,684)	(5,210)
Interest received	324	162
<b>Cash flow from investing activities</b>	<b>(3,207)</b>	<b>(3,439)</b>
Proceeds from the issuance and repayments of Bonds	13,000	(1,500)
Proceeds from the raising and repayments of financial loans	(13,903)	2,013
Outgoing payments related to financial lease	(2,156)	(2,096)
Interest paid	(8,952)	(4,374)
<b>Cash flow from financing activities</b>	<b>(12,011)</b>	<b>(5,956)</b>
<b>Cash relevant changes of cash funds</b>	<b>(4,105)</b>	<b>(6,857)</b>
Effect on cash funds from exchange rate movements and reevaluations	(126)	1,472
Cash funds at the beginning of period	11,172	14,158
<b>Cash funds at the end of period</b>	<b>6,941</b>	<b>8,773</b>