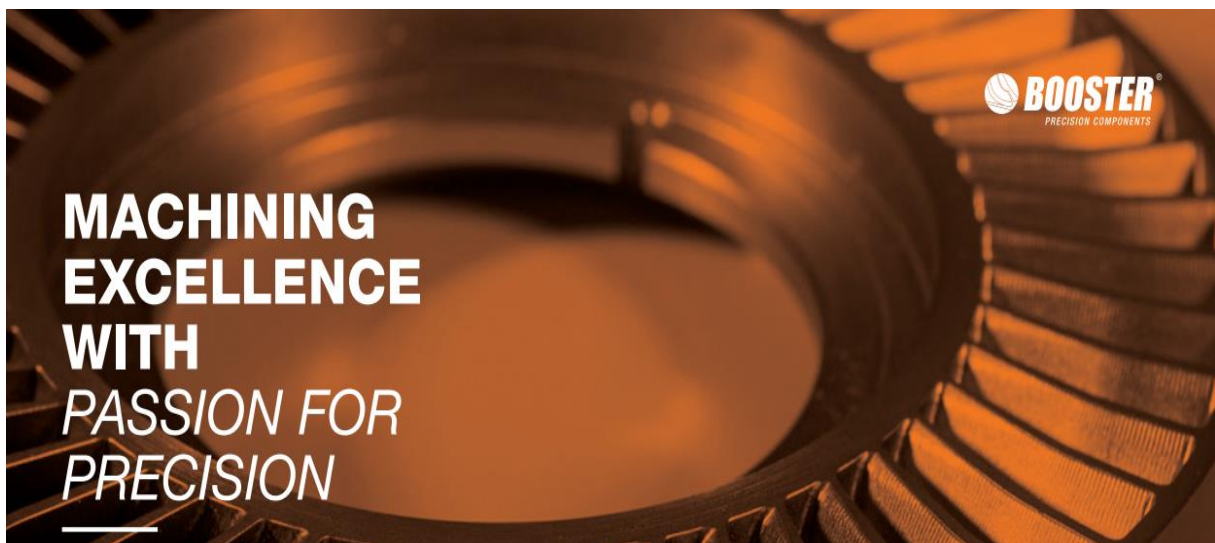




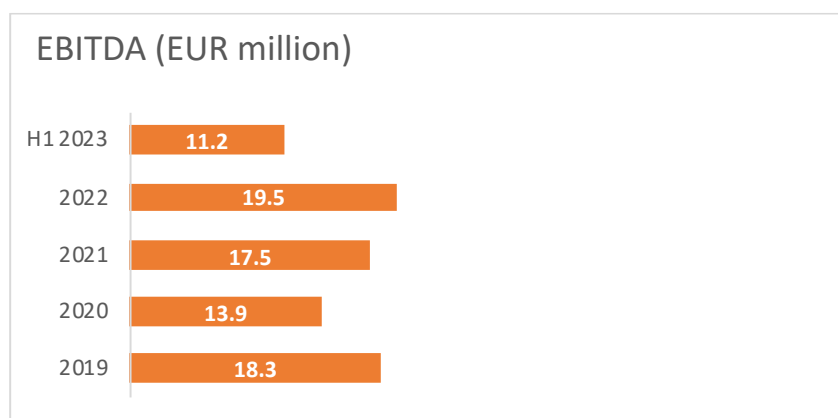
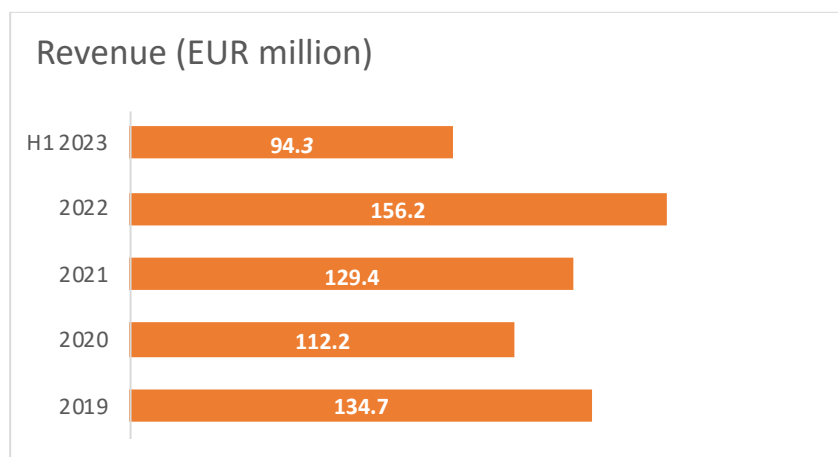
FINANCIAL GROUP REPORT H1 2023 (UNAUDITED)



Booster Precision Components GmbH
Group Financial Report January to June 2023

Registered Office:
Bockenheimer Landstraße 93
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Booster Precision Components GmbH
Financial Report
for the first half year of 2023



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Management Comments

General Information

The Booster Group (hereinafter also referred to as "Booster") is an international supplier focused 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 primarily used in the automotive sector. 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 and medical 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, consulting and 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 follow the same functional organizational structure: production, quality, engineering, human resources and finance. In addition, there are the sales and purchasing departments, which are also geographically located at the above-mentioned sites, but work across different locations.

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

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

Macroeconomic conditions and development of the automotive sector

In its latest forecast issued in July 2023, the IMF anticipates very modest growth of 3.0% in the global economy in 2023, particularly in view of the continuing war in Ukraine and its consequences (IMF, World Economic Outlook, Update, July 2023). This represents an improvement of 0.2 percentage points compared to the forecast from April. Despite a reduction of overall inflation during the first half of 2023, mainly due to a drop in energy prices, core inflation (adjusted in particular for volatile energy and food prices) remained at a high level. On the other hand, the settlement of the dispute over the debt ceiling in the USA and the successful mitigation of instability in the banking sector led the IMF to raise its latest forecast slightly as compared to April 2023.

The recently improved supply situation led to increased vehicle availability in the first half of the current year. The automotive core markets were able to benefit from this development, allowing the German Association of the Automotive Industry (Verband der Automobilindustrie, VDA) to adjust market forecast upwards. The VDA forecasts the global market for passenger cars to grow by 6% in 2023, leading to a total market volume of 75.7 million passenger cars (VDA, press release from 20 July 2023). The German automotive market is expected to rise by 6% to 2.8 million passenger cars in the current year while the growth estimate for Europe (EU, EFTA & UK) is at 9% (12.3 million new vehicles). The light vehicle market in the USA is projected to experience a 7% growth, resulting in a total of 14.7 million light vehicles in 2023 whereas only a slight growth of 3% is assumed for China, where the market already reached a high level in 2022, amounting to approximately 23.9 million passenger cars in 2023.

Despite the current solid development, the VDA expects the coming quarters to be very challenging due to declining overall economic demand caused by high inflation rates and currency devaluation in many regions.

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Earnings Position of the Group

Quarter 2 2023

In Q2 2023, the demand for Booster's products recorded further growth of 31.6 % compared to Q2 2022, resulting in revenues of EUR 46.9 million.

Other income experienced a slight decrease from EUR 1.7 million to EUR 1.1 million, which is attributable to currency effects, which reduced significantly by EUR 0.4 million.

Employee benefit costs went up to EUR 9.9 million. However, the employee benefit cost ratio displayed a decrease of 2.3 percentage points compared to Q2 2022.

Other operating expenses (OPEX) rose from EUR 7.4 million to EUR 8.3 million in Q2 2023 while OPEX cost ratio decreased by 3.3 percentage points compared to the previous year. While electricity costs went down, higher costs for temporary workers, tools and maintenance were main drivers for the additional operating costs besides the volume-related increase.

In Q2 2023, EBITDA reached EUR 5.6 million, which is a notable rise from Q2 2022's EBITDA of EUR 3.8 million. The EBITDA ratio increased by 1%-point to 11.3% in the reporting period compared to 10.3% in the previous year.

Earnings before interest and taxes (EBIT) amounted to EUR 3.6 million in Q2 2023 (Q2 2022: EUR 1.9 million) and group net income reached EUR 0.5 million (Q2 2022: EUR -0.2 million).

First half year 2023

Booster saw a strong order intake totaling EUR 50.7 million in H1 2023 with non-combustion products accounting for almost 25%.

In the first half of 2023, Booster's revenues grew by 27% up to EUR 94.3 million compared to EUR 74.2 million in the first half of 2022.

Other income declined significantly and amounted to EUR 2.1 million in H1 2023 (H1 2022: EUR 6.1 million). This is due to a positive one-time effect from the sale of a building in Belusa (Slovakia) in the amount of EUR 2.5 million, which is included in the H1 2022's other income. Furthermore, income from currency effects reduced significantly.

Driven by volume and wage increases, employee benefit costs increased from EUR 15.9 million in H1 2022 to EUR 18.9 million in the first half of 2023.

Other operating expenses (OPEX) went up from EUR 14.6 million to EUR 16.6 million while OPEX cost ratio decreased by 2.8 percentage points compared to the previous year. While electricity costs went down, higher costs for temporary workers, tools and maintenance were main drivers for the additional operating costs, besides the volume-related increase.

With EUR 11.2 million, EBITDA in the first half year of 2023 is at the previous year's level. Adjusting previous year's EBITDA for the one-time effect from the sale of the building in Belusa (Slovakia) in Q1 2022 in the amount of EUR 2.5 million, EBITDA in the first half of the current year increased by EUR 2.5 million or 28.8% over last year's first half year on a like for like basis.

Booster achieved an EBIT of EUR 7.3 million in the first half year of 2023 (H1 2022: EUR 6.9 million) while group net income decreased due to higher interest expenses to EUR 1.9 million (H1 2022: EUR 2.2 million).

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Balance Sheet

Fixed assets increased slightly from EUR 40.4 million to EUR 41.9 million.

The increase in current Assets from EUR 65.9 million to EUR 73.2 million was caused by a higher volume of stocks and receivables resulting out of the significantly higher sales volume in the first half of 2023. Total assets consequently went up from EUR 107.2 million to EUR 116.7 million.

Equity capital experienced substantial growth by 21.1% to around EUR 15.6 million as of 30 June 2023 compared to EUR 12.9 million at the end of 2022. Equity ratio increased by one percentage point to 13.4%.

Compared to year-end 2022, other provisions at the end of Q2 2023 are 10.3% higher due to additional provisions for employee benefit costs.

Liabilities rose overall by EUR 5.7 million. Trade payables (excluding finance leases) increased by EUR 3.5 million in line with the higher revenues and higher inventories due to higher sales and delivery schedules. Existing overdraft lines in the amount of EUR 5.2 million were only utilized by EUR 0,4 million. The obligations from finance leases went up by EUR 0.8 million from EUR 2.6 million to EUR 3.4 million.

In the previous year, the structure of the debt financing changed significantly as a result of the early refinancing of long-term debt, which had an original maturity date of 30 June 2023. In November 2022, this long-term debt was prematurely replaced by the issuance of a Nordic bond with a volume of EUR 35 million and a term of four years. In addition, a subordinated, unsecured loan of EUR 15 million was prolonged with an international credit fund.

As of 30 June 2023, the financial indebtedness as defined in the bond terms amounts to EUR 45.8 million and the net interest-bearing debt to EUR 35.8 million. Considering LTM-EBITDA of EUR 23.4 million (that according to bond terms excludes extraordinary items of EUR 1.1 million and transaction costs of EUR 2.8 million), the leverage is 1.5, which is far below the maintenance covenant of 4.0.

Cash flow Statement

The operating cash flow underwent a decline, moving from EUR 5.7 million in the first half year 2022 to EUR 2.0 million (-64%) mainly due to the significant additional working capital used to process the higher sales volume.

Cash flow from investing activities totaled EUR 5.6 million. The investments included new machinery necessary to meet the significantly increased sales expectations for the current year and following years as well as invest in machinery focused on new technologies for e-mobility and fuel cells in line with the expansion of Booster's product portfolio.

In the first half year 2023, the financing cash flow reflects a reduced usage of overdraft and leasing arrangements. Interest payments have increased by EUR 1.7 million compared to the first half year 2022 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 2022. The risks were identified and explained in detail. From the management's

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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 2022.

Outlook

Taking into account a strong order book for the next years, the Booster Group expects the strong revenue growth to continue in 2023. Anticipating energy and raw material prices to stabilize on a lower level, the management expects an improvement in earnings of at least 10% in 2023.

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Group Profit and Loss Statement: Quarter 2

	Q2 2023		Q2 2022		Deviation	
	in kEUR	% of output	in kEUR	% of output	in kEUR	% change
	(unaudited)		(unaudited)		Deviation	
Revenue (Net sales)	46,930		35,658		11,272	31.6
Changes in self-produced goods	2,413		822		1,591	193.5
Output	49,343		36,481		12,863	35.3
Self-produced and capitalised assets	0	0.0	12	0.0	(12)	(100.0)
Other income	1,067	2.2	1,711	4.7	(644)	(37.6)
<i>thereof - Income from FX-Effect</i>	<i>805</i>		<i>1,219</i>		<i>(413)</i>	<i>(33.9)</i>
Raw material, consumables and services	(26,583)	(53.9)	(18,933)	(51.9)	(7,650)	40.4
Employee benefits costs	(9,883)	(20.0)	(8,122)	(22.3)	(1,761)	21.7
Other operating expenses (OPEX)	(8,337)	(16.9)	(7,378)	(20.2)	(958)	13.0
<i>thereof - Expense from FX-Effect</i>	<i>(826)</i>		<i>(1,535)</i>		<i>709</i>	<i>(46.2)</i>
Other taxes	(12)	(0.0)	(16)	(0.0)	4	(27.8)
EBITDA	5,596	11.3	3,755	10.3	1,841	49.0
Depreciation on tangible assets	(1,767)	(3.6)	(1,792)	(4.9)	25	(1.4)
EBITA	3,829	7.8	1,963	5.4	1,866	95.1
Amoritisement on intangible assets	(214)	(0.4)	(108)	(0.3)	(105)	97.3
Operating Income (EBIT)	3,615	7.3	1,854	5.1	1,761	95.0
Financial result	(2,296)	(4.7)	(1,156)	(3.2)	(1,140)	98.6
Taxes on income	(783)	(1.6)	(851)	(2.3)	68	(8.0)
Net profit	537	1.1	(153)	(0.4)	689	

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Group Profit and Loss Statement: First Half Year 2023

	H1 2023		H1 2022		Deviation	
	in	% of	in	% of	in	%
	kEUR	output	kEUR	output	kEUR	change
	(unaudited)		(unaudited)		Deviation	
Revenue (Net sales)	94,253		74,204		20,049	27.0
Changes in self-produced goods	3,530		(108)		3,639	(3,357.0)
Output	97,783		74,095		23,687	32.0
Self-produced and capitalised assets	0	0.0	59	0.0	(59)	(100.0)
Other income	2,084	2.1	6,112	8.2	(4,027)	(65.9)
<i>thereof - Income from FX-Effect</i>	<i>1,737</i>		<i>2,897</i>		<i>(1,160)</i>	<i>(40.1)</i>
Raw material, consumables and services	(53,182)	(54.4)	(38,471)	(51.9)	(14,712)	38.2
Employee benefits costs	(18,906)	(19.3)	(15,944)	(21.5)	(2,962)	18.6
Other operating expenses (OPEX)	(16,553)	(16.9)	(14,610)	(19.7)	(1,943)	13.3
<i>thereof - Expense from FX-Effect</i>	<i>(1,951)</i>		<i>(3,191)</i>		<i>1,240</i>	<i>(38.9)</i>
Other taxes	(49)	(0.1)	(50)	(0.1)	1	(1.6)
EBITDA	11,177	11.4	11,191	15.1	(14)	(0.1)
Depreciation on tangible assets	(3,495)	(3.6)	(3,492)	(4.7)	(3)	0.1
EBITA	7,682	7.9	7,699	10.4	(17)	(0.2)
Amorisation on intangible assets	(429)	(0.4)	(775)	(1.0)	346	(44.6)
Operating Income (EBIT)	7,253	7.4	6,924	9.3	329	4.7
Financial result	(3,996)	(4.1)	(2,377)	(3.2)	(1,618)	68.1
Taxes on income	(1,362)	(1.4)	(2,298)	(3.1)	936	(40.7)
Net profit	1,895	1.9	2,249	3.0	(354)	(15.7)

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Group Balance Sheet I

ASSETS (in kEUR)	06-30-2023 (unaudited)	12-31-2022 (audited)
A. Fixed Assets	41,919	40,412
I. Intangible assets	3,636	3,644
II. Tangible assets	38,281	36,765
Land and buildings	1,994	2,255
Technical equipment and machinery	29,199	29,914
Other equipment	3,300	2,994
CIP and prepayments of fixed assets	3,788	1,602
III. Financial assets	2	2
B. Current assets	73,226	65,904
I. Inventories	33,022	28,834
II. Receivables and other assets	30,249	22,912
Trade accounts receivable	29,167	22,411
Liabilities of Factoring Off-Balance	(6,362)	(5,931)
Receivables of Factoring	1,029	902
Prepayments on taxes on income	110	67
Other accounts receivable and assets	6,304	5,462
III. Cash and cash equivalents	9,955	14,158
C. Deferred expenses	1,208	281
D. Deferred tax assets	341	580
	116,695	107,177

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Group Balance Sheet II

EQUITY and LIABILITIES (in kEUR)	06-30-2023 (unaudited)	12-31-2022 (audited)
A. Equity capital	15,608	12,886
I. Subscribed Capital	40	40
II. Share Capital	(1)	(1)
III. Capital reserves	73,770	73,770
IV. Equity differences from exchange rates	1,331	482
V. Income reserves	(190)	(107)
V. Balance sheet profit/loss	(59,343)	(61,217)
VI. Minority interest	0	(82)
B. Provisions	10,748	9,588
Provisions for taxes	3,922	3,399
Other provisions	6,826	6,189
C. Liabilities	90,062	84,371
I. Bonds	35,000	35,000
Senior secured bonds	35,000	35,000
II. Liabilities to banks	7,366	7,075
Bank Loans	6,995	7,073
Accrued interests on bank loans	1	2
Current account overdraft	370	0
III. Long term investment loans	16,431	15,199
Long term investment loans	15,000	15,000
Capitalized interest of investment loans	1,431	199
IV. Trade accounts payable	28,246	23,933
Trade accounts payable	24,861	21,318
Trade accounts payable -Fin. Lease	3,385	2,615
VI. Other liabilities	3,019	3,164
Liabilities of Factoring On-Balance	0	0
Social security liabilities	460	321
Tax liabilities	554	1,098
Other liabilities	2,004	1,745
D. Deferred income	(28)	28
E. Deferred tax liabilities	304	304
	116,694	107,177

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Group Cash flow Statement

Cash flow Statement (in kEUR)	H1 2023 (unaudited)	H1 2022 (audited)
Profit for the period (consolidated net income/net loss including minority interests)	1,897	2,267
Depreciation, amorisation and write of nin-current assets	3,924	4,267
Increase /decrease of provisions	(346)	2,430
Other non cash income/expenses	201	(18)
Increase/decrease in inventories, trade account receivables and other assets not attributable to investing or financing activities	(10,639)	(3,765)
Increase/decrease in trade account payables and other liabilities not attributable to investing or financing activities	3,075	(1,061)
Gain / loss on disposal of non-current assets	(10)	(2,506)
Interest expenses / interests income	3,996	2,377
Income tax expense	(1,410)	(2,330)
Income tax payments	1,346	3,962
Effect of exchange rate movements on balance sheet items		
Cash flow from operating activities	2,033	5,623
Proceeds from disposal of intangible assets		
Cash outlaws for investments in intangible assets	(86)	(203)
Proceeds from disposal of tangible fixed assets	307	8,471
Cash outlaws for investments in tangible fixed assets	(5,649)	(3,909)
Interest received	67	2
Cash flow from investing activities	(5,360)	4,361
Proceeds from the issuance of Bonds and the raising of financial loans	1,256	0
Outflows from the repayment of financial loans		(4,992)
Proceeds from financial loans	292	
Outgoing/incoming payments related to financial lease	771	(1,049)
Interest paid	(4,063)	(2,379)
Cash flow from financing activities	(1,744)	(8,421)
Cash relevant changes of cash funds	(5,071)	1,563
Effect on cash funds from exchange rate movements and reevaluations	868	2,118
Cash funds at the beginning of period	14,158	7,322
Cash funds at the end of period	9,955	11,003