ANNUAL
REPORT

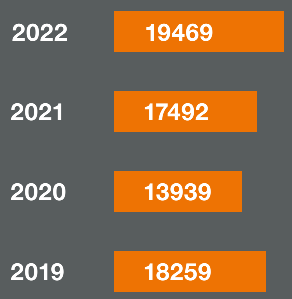
2022

Group annual report for the fiscal year from
1 January to 31 December 2022

OVERVIEW DEVELOPMENT KEY FINANCIAL INDICATORS

SALES k Euro

EBITDA k Euro



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ANNUAL *REPORT*

2022

BOOSTER Precision Components GmbH,
Frankfurt am Main

Group annual report
for the fiscal year from
1 January to 31 December 2022

CONTENT

LETTER FROM THE MANAGEMENT BOARD

Ladies and Gentlemen,

Although being faced by many uncertainties in the macroeconomic conditions, we achieved our ambitious targets in the year 2022. Demand for BOOSTER's products was unbroken despite the set-backs and difficulties in the automotive sector due to the war in Ukraine and the zero-covid policy in China until the end of 2022, and sales grew by 19.2 %, exceeding our own forecast. This was by far the highest revenue accomplished by our group since its foundation in 2016. The positive revenue development was evident in all of the company's sales markets and product groups. In addition to the growth in our business, we were also able to improve our results. Our EBITDA grew significantly to EUR 19.5 million, representing a strong margin of 12.3 %.

We have mainly focused our resources and investments in the reporting period on further growth potential and successfully acquired business in fuel cells (for any kind of mobility) as well as e-mobility applications, which diversifies our product and customer base. By expanding our activities in China and Mexico, we strengthened our position as the manufacturer of high-precision parts with a global footprint. In China, we successfully started a major VTG project developed for new Volkswagen 1.5-litre gasoline engines and smoothly executed operations despite the Covid impact at the end of the year. BOOSTER's activities in Mexico were in line with the positive development of the North American market and we have been able to start the production of compressor wheels for the first non-automotive application in industrial vacuum pumps.

Like many other manufacturing companies, BOOSTER was affected by the significant increase in energy prices, especially for electricity, last year. We met this with immediate energy saving measures.

Our employees are a valuable resource for us. In times of a challenging labour market, we have been successful in reinforcing engineering and commercial teams in 2022, which safeguards our future strength.

Another milestone in 2022 was our successful refinancing, which was carried out by the issuance of a Nordic Bond as well as securing a prolonged investment loan from a debt

fund. Thus, BOOSTER's financing is reliably secured until November 2026. The fact that we succeeded in taking our first step onto the capital market in such a difficult market environment is, in our view, proof of our prosperous and sustainable business model.

BOOSTER's manufacturing excellence is future-proofed to extend into components for electric vehicles and fuel-cell components. We aim to position the BOOSTER business as a technology platform, which is able to serve the needs of various markets so that we see further growth prospects even outside the automotive market. Beside applications for e-mobility and fuel-cells, focus is put on precise machined components for industrial and medical applications such as compressor wheels for new generation of energy efficient industrial and building cooling systems.

Last year, we were able to acquire new business projects with a total volume of EUR 112.27 million, with life spans ranging from 2023 to 2032. Among that, EUR 25.2 million are already attributable to projects in new business areas outside our core business for the automotive industry. In 2023, we will continue to focus our efforts on more nominations in the e-mobility and fuel cell business, for which a large share of the capital expenditure will be used to further diversify our product and customer base. BOOSTER managed to secure first series orders in the growing market for e-mobility and hydrogen applications and we are expecting to get our first order for fuel cells applications in railways in China in 2023. Based on our existing long-term projects, the ongoing growth prospects of our customers and the trends towards e-mobility, we are very confident that we will be able to continue our successful course in the current year. For the year 2023, we assume a significant increase in results and therefore forecast revenues as well as EBITDA to grow by around 10 %.

We would like to thank our customers, owners as well as our financing and business partners for joining us on the successful track over the past years. Last but not least we would like to thank our employees, who strongly contributed to our success in 2022, borne by their passion for precision, which is the DNA of our company.

Yours

Jerko Bartolić | **Dr. Ralph Wagner**
Chief Executive Officer | *Chief Financial Officer*
Management Board of BOOSTER Precision Components GmbH

GROUP MANAGEMENT *REPORT*

FOR THE FISCAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2022

1. PRINCIPLES OF THE GROUP

1.1 Business model of the Group
The BOOSTER Group (hereinafter also referred to as "BOOSTER") is an international supplier focused on the production and distribution of precision metal parts. The BOOSTER Group comprises nine companies in four 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. 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.

It produces 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 functionally follow the same organisational structure: Production, Quality, Engineering, Human Resources and Finance. Sales and purchasing are also geographically located at the above-mentioned sites, although they work across different locations.

The sales markets are closely oriented to international customers. BOOSTER supplies customers in around 20 countries worldwide.

The product portfolio currently offered mainly comprises compressor wheels, components for variable turbine geometry (VTG) chargers and shafts but is to be significantly expanded as part of the business expansion strategy.

BOOSTER is the only manufacturer of compressor wheels and VTGs worldwide with production sites in Europe, North America, and China. There is a special focus on compressor wheels in Schwanewede (Lower Saxony), while in Belusa (Slovakia) the focus of activities is on VTGs. Their production and process standards are adopted by the sites in Mexico and China.

1.2 Group targets, financial performance indicators and strategy

The central financial objective of the BOOSTER Group is to achieve above average and profitable growth at all locations. In this context, the BOOSTER Group intends to exceed the revenue threshold of EUR 200 million and the return threshold of 15 % for the first time by the end of 2026. The company is building on its value proposition, consisting of the core elements of safety, quality, and delivery reliability, in order to pursue this concretely defined goal, and is monitoring the achievement of the goals using the two financial performance indicators of sales, EBITDA and EBITDA margin.

A particular strategic focus of the BOOSTER Group is on components for use in electrified and hydrogen-powered vehicles as a result of the transformational changes in the automotive sector.

The group's vision describes its long-term goals as follows: An excellent specialist in high-precision machining of metal parts; a leader in quality and in production technology.

1.3 Control system

The BOOSTER Group's internal control system is essentially based on the control variables of turnover, EBITDA, and EBITDA margin.

Sales are used for the management of the company's growth targets. EBITDA is used to manage profitability and operational performance. It is defined as the consolidated group result before interest, taxes, and depreciation on tangible and intangible assets.

Furthermore, the company monitors and analyses financial ratios such as net debt, working capital, free cash flow and leverage (net debt divided by EBITDA).

1.4 Technological challenges and competition

The manufacture of turbocharger components faces substantial technological challenges due to the extremely high temperature and pressure resistance requirements of the turbocharger. At medium speeds, a standard passenger car engine rotates at around 2,000 revolutions per minute. The rotor of a turbocharger, by comparison, rotates at over 280,000 revolutions per minute.

Not only the components, but also the high-temperature materials and tools used to manufacture them, must precisely maintain shape and bearing tolerances, both hot and cold, within single microns to ensure tightness and performance at all times. BOOSTER repeatedly proved successfully in the past that the company fully meets these requirements of high-precision manufacturing. BOOSTER is continuously improving both the high-precision manufacturing processes and the product properties in close cooperation with renowned machine and tool manufacturers.

In addition, a significant development focus is on transferring the experience gained in the manufacture of precision parts for turbochargers to new products in the field of electromobility - e.g., scrolls - as well as for hydrogen applications. The first series nominations are already showing success here.

The market for the BOOSTER Group is highly competitive, as is largely the case in the automotive sector, despite the comparatively high barriers to entry.

2. ECONOMIC REPORT

2.1 Overall economic development

The global economy grew by 3.4 % in 2022 according to the International Monetary Fund (IMF), significantly below the previous year's figure of 6.2 % (IMF, World Economic Outlook, January 2023). The gross domestic product (GDP) in Germany rose by only 1.9 % after an increase of 2.6 % in the previous year. Higher growth in 2022 was seen in the euro area at 3.5 % (previous year 5.3 %) and in China at 3.0 % (previous year 8.4 %). Growth in the USA was only 2.0 % (previous year 5.9 %).

2.2 Sector development automotive sector

The automotive sector continued its slight recovery in terms of production volume in 2022. Global automotive sales (up to 6 tonnes) increased by 6.4 % to around 82.0 million units in the reporting year from 77.1 million units previously (LMC Auto-mo-tive, Q4 2022). Due to bottlenecks in the supply of semiconductors, the zero COVID policy in China, which dominated until the end of the year, and the effects of the war in Ukraine, a more significant upswing was prevented. Production figures accordingly remained well below the level before the outbreak of the COVID 19 pandemic.

The automotive industry faces other major challenges and structural changes related to climate change in addition to dealing with the impact of the COVID 19 pandemic and the chip crisis, and in addition to the global economic impact of the war in Ukraine. Legal pressure on the automotive sector to minimise CO_2 emissions is increasing. The average CO_2 emission for all new registrations in the EU may only be a maximum of 95 grams of carbon dioxide per kilometre since 2020. This is equivalent to an average consumption of 3.6 litres of diesel, or 4.1 litres of petrol based on the NEDC test cycle. The EU also decided that the average consumption of all new registrations must be reduced by 35 % by 2030 compared to the average consumption of new registrations in 2020. The only way to achieve these targets is through a higher share of combustion engines with turbo assistance as well as a higher share of vehicles without combustion engines.

For this reason, BOOSTER assumes on the one hand that the share of combustion engines with turbo assistance will increase in the coming years, while the share of combustion engines in new registrations will decrease. On the other hand, management assumes that the share of petrol engines in new registrations will increase at the expense of diesel engines.

2.3 Earnings position of the Group

Sales in the financial year 2022 increased from EUR 129.4 million in the previous year to a total of EUR 156.2 million. The increase in revenue of EUR 26.8 million (20.7 %) clearly exceeds the general market trend in the automotive industry, measured in terms of units sold. All of the company's sales markets and product groups benefited from the positive development of the BOOSTER Group's turnover.

PRODUCTION FIGURES

(vehicles up to 6 tonnes) In thousands of units

Production figures (vehicles up to 6 tonnes)
in 1,000 units

Region	Country	2019	2020	2021	2022	2023	2024	2025
Africa	**Africa total**	**1,156.70**	**879.20**	**1,023.40**	**1,136.20**	**1,340.40**	**1,483.10**	**1,568.50**
Asia	China	24,326.40	23,533.00	24,732.20	26,294.90	27,273.10	27,827.90	28,196.60
	Japan	9,197.20	7,777.20	7,402.50	7,359.90	7,586.40	7,870.00	8,141.60
	India	4,188.70	3,234.00	4,134.60	5,120.80	5,300.80	5,325.70	5,556.00
	Korea	3,909.50	3,469.40	3,426.10	3,602.00	3,555.10	3,867.40	3,935.90
	Rest	4,531.40	2,982.80	3,754.20	4,502.30	4,564.80	4,821.80	5,052.50
	Asia total	**46,153.20**	**40,996.30**	**43,449.50**	**46,879.90**	**48,280.30**	**49,712.90**	**50,882.70**
Europe	Germany	4,870.80	3,755.50	3,328.50	3,698.30	4,220.70	4,785.40	5,189.90
	Spain	2,802.20	2,244.70	2,057.40	2,128.40	2,356.90	2,426.50	2,472.60
	France	2,162.70	1,331.90	1,340.30	1,405.60	1,512.80	1,748.40	1,944.40
	UK	1,360.60	972.50	915.20	888.90	1,019.10	1,066.20	1,157.10
	Italy	921.80	753.30	774.20	769.00	907.20	988.70	1,013.70
	Rest	9,120.20	7,633.70	7,581.90	6,889.00	6,888.60	7,419.30	8,134.70
	Europe total*	**21,238.30**	**16,691.60**	**15,997.50**	**15,779.20**	**16,905.30**	**18,434.50**	**19,912.40**
USMCA	USA	10,565.40	8,564.60	8,903.00	9,740.70	10,308.80	10,865.90	11,355.90
	Mexico	3,777.40	3,014.80	2,984.60	3,248.90	3,512.60	3,768.50	4,186.90
	Canada	1,899.40	1,362.20	1,101.80	1,201.60	1,378.30	1,280.40	1,460.00
	USMCA total	**16,242.20**	**12,941.50**	**12,989.50**	**14,191.10**	**15,199.70**	**15,914.80**	**17,002.70**
South America	Brazil	2,802.40	1,905.10	2,066.80	2,158.80	2,307.30	2,487.70	2,673.40
	Rest	457.20	334.70	527.00	635.40	621.70	625.00	682.50
	South America total	**3,259.60**	**2,239.90**	**2,593.80**	**2,794.20**	**2,929.00**	**3,112.70**	**3,355.80**
ROW	**ROW total**	**868.20**	**1,134.90**	**1,054.20**	**1,231.60**	**1,315.40**	**1,474.30**	**1,568.90**
Total	**Total**	**88,918.00**	**74,883.30**	**77,107.90**	**82,012.30**	**85,969.80**	**90,132.20**	**94,290.00**

Source: LMC Automotive Ltd, Q4/2021 and Q4/2022, https://lmc-auto.com/news-and-insights/public-data/

*EnE The line Europe was inserted, and the subtotal EU (incl. UK) deleted to improve comparability of Europe.

BREAKDOWN OF TURNOVER BY SALES MARKET

Sales markets	2022		2021		Change	
Sales	TEUR	%	TEUR	%	TEUR	%
Germany	11,201	7	8,044	6	3,157	12
Other EU countries	69,468	45	61,205	47	8,263	31
North America	46,417	30	34,874	27	11,543	43
South America	5,623	4	5,261	4	362	1
Asia	23,444	15	20,008	16	3,436	13
Total	**156,153**	**100**	**129,392**	**100**	**26,761**	**100**

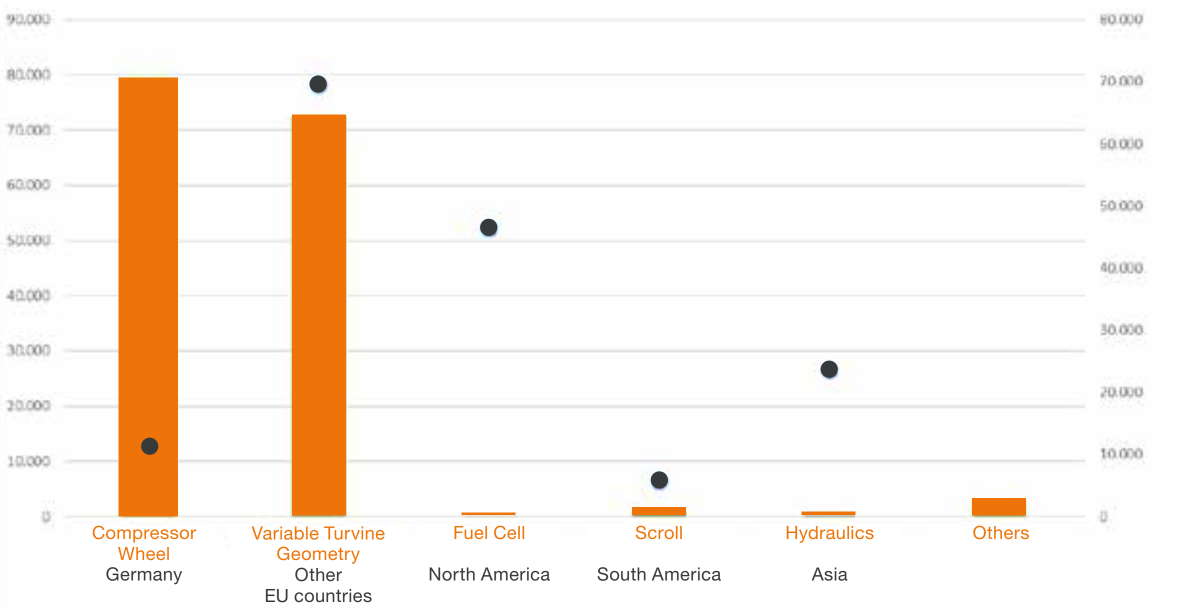
BREAKDOWN OF TURNOVER BY PRODUCT GROUP

Product group		2022		2021		Change	
		TEUR	%	TEUR	%	TEUR	%
Automotive ICE	Compressor Wheel	79,266	51	68,113	53	11,153	42
	Variable Turbine Geometry	72,524	46	59,070	46	13,453	50
	Fuel Cell	162	0	0	0	162	1
Automotive ICE total		**151,952**	**97**	**127,183**	**98**	**24,768**	**93**
E-Mobility (incl. PHEV)	Scroll	992	1	0	0	992	4
Industry	Hydraulics	358	0	0	0	358	1
Others		2,851	2	2,209	2	642	2
Total		**156,153**	**100**	**129,392**	**100**	**26,760**	**100**

BREAKDOWN OF TURNOVER BY SALES MARKET AND PRODUCT GROUP

Products in TEUR

Regions in TEUR



The BOOSTER Group achieved earnings before interest, taxes, and depreciation (EBITDA) of EUR 19.5 million (12.3 %, EBITDA margin). EBITDA in the previous year was EUR 17.5 million (13.3 %, EBITDA margin). The deterioration in the EBITDA margin is mainly caused by the increase in energy costs. Adjusted for the increase in energy costs not related to turnover and the price adjustments agreed with customers for the increased energy costs, the EBITDA margin would have risen to 14.2 %.

The material usage ratio improves in the financial year from 51.6 % (2021) to 51.4 % (2022). Not considering the energy costs, the material ratio would have improved by 2.1 % from 49.3 % to 47.2 %.

Personnel expenses amounted to EUR 33.7 million and were thus EUR 5.7 million higher than the previous year's figure of EUR 28.0 million. This was due on the one hand to higher sales and on the other hand to increases in personnel costs that became necessary in 2022 as a result of higher inflation. The personnel deployment ratio remained constant at 21.3 % (previous year: 21.3 %).

Other operating income amounted to EUR 6.5 million (previous year: EUR 7.8 million). Compared to the previous year, the reduction of EUR 1.3 million is mainly due to higher income from the disposal of fixed assets (EUR 1.7 million), lower currency translation income (EUR -0.8 million) and reductions in the release of provisions (EUR -0.2 million) and other income (EUR -2.0 million).

Other operating expenses amounted to EUR 30.1 million and were thus EUR 4.1 million higher than in the previous year (previous year: EUR 26.0 million). This was mainly due to higher costs in the area of tools and maintenance (EUR 1.9 million), additional use of external personnel

(EUR 0.7 million), increased logistics costs (EUR 0.4 million), as well as higher expenses for currency effects (EUR 1.7 million) and higher consulting costs (EUR 2.4 million) in connection with the refinancing in 2022.

Depreciation of EUR 8.7 million is EUR 2.4 million below the previous year's level (EUR 11.1 million). Depreciation on property, plant, and equipment of EUR 7.5 million is slightly above the previous year's level of EUR 6.8 million. Basically, the increase of EUR 0.6 million is due to the fact that investments were made in new machines for the development of new business areas during the financial year.

The depreciations on intangible assets fell by EUR 3.0 million from EUR 4.3 million in the previous year to EUR 1.3 million. As in previous years, this

EARNINGS POSITION

	2022		2021		Deviation	
	in M. EUR	% w.r.t. performance	in M. EUR	% w.r.t. performance	in M. EUR	in % of
Revenue	156.2		129.4		26.8	20.7 %
Changes in inventories	1.7		1.9		-0.3	-15.8 %
OUTPUT	**157.8**		**131.3**		**26.5**	**20.2 %**
Self produced capitalised assets	0.2	0.1 %	0.4	0.3 %	-0.2	-50.0 %
Other income	6.5	4.1 %	7.8	5.9 %	-1.3	-16.7 %
Material costs	-81.1	-51.4 %	-67.7	-51.6 %	-13.4	19.8 %
Employee benefit costs	-33.7	-21.3 %	-28.0	-21.3 %	-5.7	20.4 %
Other operating expenses	-30.1	-19.1 %	-26.0	-19.8 %	-4.1	15.8 %
Other taxes	-0.1	-0.1 %	-0.3	-0.2 %	0.2	-66.7 %
EBITDA	**19.5**	**12.3 %**	**17.5**	**13.3 %**	**2.0**	**11.4 %**
Depreciation on assets	-7.4	-4.7 %	-6.8	-5.2 %	-0.6	8.8 %
EBITA	**12.1**	**7.7 %**	**10.7**	**8.1 %**	**1.4**	**13.1 %**
Amortization on intangible assets	-1.3	-0.8 %	-4.3	-3.3 %	3.0	-69.8 %
EBIT	**10.8**	**6.8 %**	**6.4**	**4.9 %**	**4.4**	**68.8 %**
Financial result	-5.1	-3.3 %	-4.8	-3.7 %	-0.3	6.3 %
Taxes on income and profit	-3.6	-2.3 %	-2.7	-2.1 %	-0.9	33.3 %
Annual net profit	**2.1**	**1.3 %**	**-1.1**	**-0.8 %**	**3.2**	

includes depreciation on hidden reserves from acquisitions in 2015 and 2016, which were disclosed in the course of the capital consolidation, totalling EUR 0.7 million (previous year: EUR 3.9 million). For the most part, these intangible assets result from the difference between the company purchase price and the balance sheet equity capital of the acquired business at the time of acquisition. They are written off on a straight-line basis over a period of four to 15 years and are not attributable to operating activities. At the end of the financial year, these intangible assets still had a book value of EUR 0.8 million.

The interest result of EUR -5.1 million deteriorated by EUR 0.3 million compared to the previous year (EUR -4.8 million). The main reasons for this were the refinancing linked to the 3-months Euribor in the fourth quarter of 2022 by means of a bond and the higher interest rates in the last half of the year. As part of the refinancing, an interest rate hedge (cap) to a maximum of 3 % for the 3-month Euribor was concluded for a term of two years.

Taxes on income amounted to EUR -3.6 million in the financial year (previous year EUR -2.7 million) and relate to actual taxes of the companies in the amount of EUR 1.8 million and deferred taxes in the amount of EUR 1.7 million. The tax charges for the current year are essentially based on higher tax results.

The consolidated net profit for the financial year 2022 was EUR 2.1 million (previous year's net loss: EUR 1.1 million) and thus above the forecast for the reporting year.

2.4 Asset situation of the Group

As of 31 December 2022, the BOOSTER Group's total assets amounted to EUR 107.2 million (previous year: EUR 99.5 million). Fixed assets accounted for 37.7 % (previous year: 48.0 %) of total assets.

The share of tangible fixed assets in the balance sheet total is 34.0 % (previous year: 43.4 %). The decrease in tangible fixed assets from EUR 43.6 million to EUR 36.5 million is mainly due to the disposal of a property in Belusa (Slovakia) under a sale-and-lease-back agreement (EUR -7.0 million), investments that exceeded scheduled depreciations (EUR 7.7 million) by EUR 1.5 million, and currency effects (EUR -0.6 million).

Intangible assets account for 3.7 % (previous year: 4.6 %) of the balance sheet total. The depreciations (EUR 1.3 million) include the scheduled depreciations on the intangible assets that were capitalised as part of the company acquisitions or acquisition transactions in 2015 and 2016 (EUR 0.7 million) and depreciation on business incentives (EUR 0.6 million). In the reporting year, new business incentives were capitalised in particular. Intangible fixed assets decreased to EUR 3.9 million (previous year: EUR 4.6 million).

As of 31 December 2022, current assets amounted to 65.5 million euros (previous year: EUR 49.1 million). During the financial year, inventories increased by EUR 3.3 million, trade accounts receivable by EUR 3.5 million, other assets by EUR 2.8 million and cash balance and bank balances by EUR 6.8 million.

Compared to the previous year, the increase in inventories resulted from a significant rise in demand for the first quarter of 2023 as well as general price increases for raw materials due to significantly higher energy costs. Inventories were further increased to ensure readiness for delivery in the wake of the continuing rise in demand.

Receivables increased year-on-year due to the significantly higher sales level in the last two months of 2022.

2.5 Financial situation of the group and cash flow

As of 31 December 2022, equity capital amounted to EUR 12.9 million (previous year: EUR 9.5 million). Due to the consolidated profit for the year (EUR 2.1 million) and the development of the exchange rate compensation item (EUR 1.3 million) - mainly as a result of the appreciation of the Mexican peso – consolidated equity grew by EUR 3.4 million. The equity ratio improved by 2.5 percentage points to 12.0 %.

Total liabilities to banks, from bonds and long-term investment loans to debt funds amounted to EUR 57.3 million at the end of the reporting year (previous year: EUR 60.5 million), a decrease of EUR 2.7 million.

Liabilities to debt funds (previous year: EUR 48.2 million) were repaid in the financial year as part of a refinancing. Refinancing was carried out by issuing a bond in the amount of EUR 35.0 million and taking out an investment loan from the existing debt funds in the amount of EUR 15.0 million.

The bond matures in November 2026 and bears quarterly interest of 9.0 % plus 3-months Euribor. In the third quarter of 2023, EUR 1.5 million will be repaid, in the first and third quarters of 2024 and 2025, EUR 2.5 million each, and in the first quarter of 2026, EUR 1.0 million. The bond can be increased by a further EUR 25 million to a total of EUR 60 million if required – and depending on the placement environment.

The investment loans to the debt funds bear interest at 13 % plus 3-months Euribor. The loans, including interest, are due at the end of the term and mature in the first quarter of 2027.

In addition, at the end of the financial year there were working capital loans and loans in Slovakia amounting to EUR 1.4 million (previous year: EUR 7.3 million) and in China in the amount of EUR 5.7 million (previous year: EUR 5.0 million). The existing loans in China are renewed annually.
All loans have a fixed interest rate over the entire term.

A sale-and-lease-back agreement was concluded for the factory premises at the Belusa site (Slovakia) in March 2022 to additionally secure liquidity.

Trade payables increased from EUR 15.2 million to EUR 21.3 million in 2022.

Liabilities arising from finance leases decreased from EUR 4.3 million to EUR 2.6 million. The reduction of EUR 1.7 million is due to the scheduled repayments of contracts still running (EUR 2.4 million) and new borrowings (EUR 0.7 million).

Receipts and payments for investments of EUR 1.4 million include payments for investments in technical plant and machinery (EUR -3.9 million) and advance payments made on technical plant and machinery (EUR -4.4 million), buildings (EUR -0.1 million) and other operating equipment (EUR -0.4 million). The payments received relate to the disposal of land and buildings (EUR 9.7 million) from a sale-and-leaseback of the factory premises in Belusa, as well as from the sale of technical plant and machinery (EUR 0.6 million).

The BOOSTER Group generated a cash flow from operating activities of EUR 15.5 million (previous year: EUR 9.2 million), which is mainly due to the high EBITDA. Cash flow from investing activities amounted to EUR 1.0 million (previous year: EUR -1.1 million). Factory premises were sold under sale and leaseback agreements in both 2022 and 2021, resulting in a slightly positive cash flow from investing activities in 2022 and only slightly negative in 2021. In the past financial year, the factory premises in Belusa (Slovakia) were sold for EUR 9.7 million. Free cash flow (operating cash flow after considering cash outflows and inflows from investments) thus amounted to EUR 16.5 million (previous year: EUR 8.1 million). Cash flow from financing activities amounted to EUR -9.7 million (previous year: EUR -6.4 million). It includes, in addition to the incoming and outgoing payments associated with refinancing, repayments of amounts owed to credit institutions and amounts arising from finance leases, as well as interest paid. Overall, cash and cash equivalents increased by EUR 6.8 million at the end of the year.

2.6 Non-financial performance indicators

2.6.1 Employees

The BOOSTER Group had a total of 870 employees and 137 temporary workers as of 31 December 2022 (previous year: 815 own employees and 57 temporary workers).

The qualification and motivation of employees are fundamental prerequisites for the actions of the BOOSTER Group as a globally active, customer- and performance-oriented company. Maintaining and expanding these at a high level is the central task of the company's personnel management. It is BOOSTER's aim to offer more future-oriented qualification measures for its employees and to further intensify its efforts to develop management personnel.

The company is intensifying its efforts to recruit and retain staff in order to counter the consequences of the shortage of skilled workers, especially in the engineering sector. New contacts have been established with the University of Applied Sciences in Bremen to offer work placements to students. Two students started their work placements in 2022.

2.6.2 Customer satisfaction

BOOSTER conducts customer surveys on quality, delivery reliability, technical advice, response time, quality level and general handling on a regular basis. In 2021, the most recent customer survey took place. 28% of the customers surveyed took part in the survey in 2021; pursuant to this survey, customer satisfaction was at a high level and amounted to 92 %.

2.6.3 Sustainability

As transformational changes continue in the automotive sector, BOOSTER is faced with numerous opportunities and challenges. These challenges include, above all, the trend towards new mobility as well as electric and hybrid drives. In particular, hybrid powertrains are increasingly relying on turbo engines to maintain performance with low emissions. Accordingly, BOOSTER's solutions contribute to the reduction of CO_2 emissions from engines.

All production sites of the BOOSTER Group are certified with the IATF 16949 standard. BOOSTER also established an environmental management system in accordance with ISO 14001 and requires its suppliers to be certified in accordance with ISO 9001.

Reliability, competence, and sustainability are fundamental principles of BOOSTER's business activities. Based on these principles, the Group pursues the following strategic goals in the area of sustainability: It is BOOSTER's aim to make a significant contribution to conserving resources and reducing the burden on the environment. Resources are used in a way that is both economical and environmentally friendly. The group cooperates with the respective regional authorities in dealing with ecological issues. Group-wide activities and a good image in the field of environmental protection support the core business and new products. A wide range of production and customer-oriented measures are used to implement this strategy, the concrete design of which is largely the responsibility of the Group companies.

2.7 Overall statement on the financial year 2022

In the context of the forecast for 2022 prepared for the Annual Report 2021, the BOOSTER Group expected sales of EUR 131 million and EBITDA of EUR 17.1 million. Furthermore, it was expected to reach break-even and, as a result, to generate a moderate profit.

Thus, the revenue of EUR 156.2 million is well above the forecast for 2022 and the consolidated net profit of EUR 2.1 million (after amortisation of fixed assets from capital consolidation of EUR 0.7 million) is EUR 0.5 million above the forecast and exceeds management's expectations for 2022. The EBITDA achieved of EUR 19.5 million (12.3 %, EBITDA margin) also exceeds the forecast value.

Despite the weakness in the automotive sector caused by the COVID-19 pandemic and the war in Ukraine – combined with significantly rising inflation and interest rates – the BOOSTER Group thus exceeded its targets in 2022. This was driven by the significant increase in turnover of EUR 26.8 million.

The group strengthened its market position as the only manufacturer of precision parts for exhaust gas turbochargers with a global footprint by expanding its business in China and Mexico.

3. 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.

3.1 Internal control system and risk management

The management of the group centrally controls financial risks, such as liquidity, currency, and interest rate risks.

The management of the group is informed of possible risks at an early stage through weekly and monthly reporting on profitability, cash, investments, current assets, customer orders and material prices. This enables the management to take countermeasures in good time.

3.2 Risks

3.2.1 Macroeconomic risk

The business development of the BOOSTER Group, as a globally operating company, is influenced by a multitude of factors in addition to the general economic development. In this context, politically motivated movements in the industry as a whole as well as in the automotive sector – both globally and with a focus on Europe, China, and North America – are of great importance.

The group's strategy is to continuously expand all market activities. The company counters the risks of economic and political crises, country-specific laws or even protectionist interventions that affect trade by decentralised manufacturing in Europe, North America, and China. The plants in Europe are also in a position to cover peak demand in Mexico and China through additional deliveries.

3.2.2 Corona risk

With its dynamics, the COVID 19 pandemic may continue to have effects that cannot be conclusively predicted, which could have a material adverse effect on the BOOSTER Group's business performance, so that the planned revenue and earnings targets may not be achieved in 2023.

3.2.3 Risks due to the war in Ukraine

As a result of the war in Ukraine, BOOSTER is primarily exposed to risks on the supply side. The significant increase in energy prices, especially for electricity, is the main factor directly affecting BOOSTER. This risk is being countered by BOOSTER with immediate energy-saving measures and by negotiating with customers to pass on the cost increase. With regard to raw material prices (e.g., nickel, aluminium), the war has also had a serious impact on raw material prices and possibly on their availability in the future (e.g., titanium). BOOSTER is largely hedged with regard to raw material prices through price escalation clauses in its customer contracts. BOOSTER relies on higher stockpiling to secure the supply of raw materials.

Only individual smaller projects were directly affected in terms of sales, which did not have any significant impact. The partial lack of component supplies in the automotive sector (including cable harnesses) due to the crisis did, however, have an indirect impact on other customer projects, where sales were temporarily reduced. A currently not yet assessable, possibly considerable risk is the short- and medium-term impact of the war and its consequences – such as the energy crisis – on the further economic development of the global economy.

3.2.4 Sector and company risk

Volume and price risks are particularly prevalent in the automotive supply industry. These may lead to fluctuating sales due to delays in individual call-offs on the part of the customer.

Such risks are addressed by BOOSTER through the consistent expansion of its markets, the acquisition of new customers, market entry into new regions, innovative and continuously improved production technologies, and strict cost management.

In the future, business development will largely depend on the level of global sales for passenger cars and commercial vehicles with combustion engines. According to the industry service provider IHS, sales figures will rise above the pre-crisis level of 2019 to around 90 million units (light vehicles) for the first time in 2024. For China, by contrast, the pre-crisis level from 2019 was already exceeded in 2022.

The market for exhaust gas turbochargers, however, will develop better than the passenger car market, since in particular in China – the largest car market in the world – the share of combustion engines without turbochargers is larger than in Europe.

Furthermore, as an automotive supplier, BOOSTER is exposed to the usual industry risks, which have been exacerbated by the COVID 19 pandemic.

3.2.5 Financing risk

The main sources of financing for the BOOSTER Group, in addition to current account liabilities, finance leasing and factoring, are the bond available in the medium term (Nordic Bond) and the investment loans from international debt funds. On the one hand, a significant decline in cash surpluses from operating activities could jeopardise the required interest and redemption payments as well as compliance with the agreed financial covenants. On the other hand, necessary investments would not be sufficiently feasible. The leverage of max. 4.0 agreed in the financial covenants was significantly undercut at 1.5.

Access to finance has become much more difficult for the BOOSTER Group due to the COVID 19 pandemic and the ongoing war in Ukraine. In the opinion of the management, the BOOSTER Group nevertheless has sufficient liquidity reserves at present, considering the financing measures described in the section "Financial situation of the group and cash flow".

A turnover level of at least around EUR 130 million with an EBITDA of around EUR 17 million is required in 2023 and 2024 in order to meet the long-term interest and repayment obligations.

3.2.6 Foreign currency risk

The BOOSTER Group's internationally oriented business activities and its locations in Mexico and China make it necessary to also conduct business in foreign currencies. Exchange rate fluctuations against the euro may have a negative impact on sales, costs and ultimately the result.

The Group's sales are settled exclusively in euros, US dollars and Chinese renminbi yuan.

The BOOSTER Group's net foreign currency risk (exposure) (excess of cash inflows in foreign currencies over cash outflows in foreign currencies) in 2022 is EUR 31.6 million for the USD and around EUR 7.5 million for the Chinese RMB, as well as EUR -4.2 million for the Japanese yen and EUR -5.0 million for the Mexican peso. This is due to the fact that the majority of the revenues in USD and RMB are offset by corresponding cost items in the same currency (natural hedge).
The management continuously monitors the net risk exposure.

3.2.7 Financial instruments

Currently, the BOOSTER Group does not use (derivative) financial instruments to hedge foreign currency risks (the net risk exposure).
To cap the financing costs of the bond (Nordic Bond) and the investment loans against the debt funds, an interest rate hedging agreement (CAP) was concluded. The interest rate hedge is based on the 3-months Euribor, thus capping the variable interest component at 3 %.

3.2.8 IT risks

Information technology risks, such as hardware failure or unauthorised access to hardware and software, are also increasing with the growing use of information technology in all areas of the Group.

The BOOSTER Group implemented specific IT security solutions in cooperation with various service providers to protect data and the IT infrastructure from failure, loss, and unauthorised access in order to avert possible dangers. Investments are also being made in modern information technology that will further stabilise the group's operations.

3.2.9 Performance-related risks

There is no risk that the failure of individual machines will lead to production bottle-necks due to the large number of machine tools. There is a risk that a fire could cause the entire machine park at one location to fail due to the accumulation of machines in a very confined space.

There were brief sharp price fluctuations on the raw materials and energy markets in the spring of 2022 due to the war in Ukraine, but these did not lead to delivery problems. If the crisis worsens again, isolated temporary bottlenecks cannot be ruled out. Targeted stockpiling and expansion of the supplier base will counter this risk.

3.3 Possibilities and opportunities

The following three factors essentially determine the market volume for turbochargers:

1. The sales figures for motor vehicles as a whole
2. The share of vehicles with combustion engines as well as hybrid and hydrogen drives (share of non-electric vehicles)
3. The share of vehicles with exhaust gas turbochargers in combustion engines as well as hybrid and hydrogen drives (share of turbochargers in non-electric vehicles)

The management expects the market volume for exhaust gas turbochargers to increase moderately over the next five years. The decline in market share for non-electric vehicles will be offset by the continued rise in sales figures for motor vehicles and the increased share of turbochargers in non-electric vehicles.

The BOOSTER Group was accordingly able to secure new orders that will enable further growth.

New business areas within and outside the automotive market were also identified as part of the strategic realignment, which will open up significant growth prospects in the coming years. The rapidly growing market for electromobility and hydrogen applications in particular opens up new prospects against the background that BOOSTER has been able to secure its first series orders.

3.4 Assessment of opportunities and risks

In the opinion of the Group's management, the ongoing war in Ukraine and its effects on the stability of the global economic development continue to pose a risk to the achievement of the sales and return targets that is difficult to assess.

The purchasing organisation in the BOOSTER Group was centralised in the procurement of raw materials, so that significant savings potentials have already been realised. For most of the raw materials used, price escalation clauses were agreed with the customers, so that increases or reductions in procurement prices are compensated for by adjustments in sales prices.

An early identification, analysis and evaluation of all other operational and strategic risks is carried out so that they can be controlled by the Group's management with appropriate risk management measures.

4. FORECAST 2023

4.1 Macroeconomic environment

The IMF's January 2023 forecast predicts global economic growth of 2.9 % for the current year. Significantly weaker growth of 0.1 % and 0.7 % respectively is forecasted for Germany and the euro area. In the USA, economic growth is still expected to be 1.4 %. The IMF experts only expect a dynamic economic development for China (+ 5.2 %).

4.2 Sector-related general conditions

The sales department planned the expected sales volumes and prices on the basis of the expected new passenger car registrations, the trend towards electrification of vehicles – especially through hybrid motorisations and the resulting expected increase in the share of turbocharger applications. The basis for this is the existing customer nominations for the typically longer-term projects and, to a lesser extent, new business starting up. The most important sales market besides Europe and North America is Asia. Further significant increases are expected in Asia in the next few years in the area of combustion engines. While sales in Europe are expected to decline significantly in this segment. In contrast, the markets for vehicles with electric engines and alternative fuels (fuel cell) are forecasted to grow significantly in Europe.

4.3 Outlook for the BOOSTER Group

When preparing the Management Report 2022, the Group's management assumes that the COVID-19 pandemic will be overcome in spring 2023. Ultimately, this will lead to the stabilisation of the economy worldwide, the demand situation in the automotive market and thus the BOOSTER Group's sales. The outbreak of war in Ukraine, on the other hand, poses considerable risks for further economic development. Price and supply risks for specific raw materials and energy are in the foreground in the short term, while negative economic risks could impair development in the medium term.

The BOOSTER Group expects an overall increase in sales of more than 10 % for 2023 and assumes a corresponding improvement in EBITDA. On the one hand, the earnings planning is based on the margins expected for the customer projects. On the other hand, it is based on the personnel requirements necessary for production and business operations and other operating expenses.

A consolidated net profit is expected to be generated in 2023 that is significantly higher than that in 2022. The operating cash flow will again be clearly positive and the free cash flow at least slightly positive after considering cash outflows from investments, so that the BOOSTER Group's debt can be further reduced.

Frankfurt am Main, 31 March 2023

signed by **Jerko Bartolić**
Managing Director

signed by **Dr. Ralph Wagner**
Managing Director

FINANCIAL *STATEMENTS*

FOR THE FINANCIAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2022

GROUP BALANCE SHEET AT 31. DECEMBER 2022

BOOSTER Precision Components GmbH, Frankfurt am Main

AKTIVA		31.12.2022 EUR	31.12.2021 EUR
A. Fixed Assets			
I. Intangible assets			
1. Concessions trademarks and similar rights and assets IP and patents	3.942.959,57		4.623.364,99
		3.942.959,57	**4.623.364,99**
II. Tangible assets			
1. Land and Building	2.255.325,90		9.470.926,76
2. technical facilities and machinery	29.914.437,84		28.538.865,58
3. other facilities and equipments	2.993.592,48		2.718.683,45
4. CIP and prepayments of fixed assets	1.303.195,30		2.405.412,63
		36.466.551,52	**43.133.888,42**
III. Financial assets			
other financial assets		2.031,08	2.031,08
		40.411.542,17	**47.759.284,49**
B. Current Assets			
I. Inventories			
1. Raw materials and supplies	12.575.652,36		10.917.979,05
2. Semi-finished goods	5.323.296,33		3.930.666,18
3. Finished goods	10.935.352,07		10.697.981,33
		28.834.300,76	**25.546.626,56**
II. Receivables and other assets			
1. Trade accounts Recevables	16.480.307,55		13.020.719,10
2. Other assets	6.017.790,09		3.220.842,66
		22.498.097,64	**16.241.561,76**
III. Cash and Cash equivalents		**14.158.125,93**	**7.321.932,74**
		65.490.524,33	**49.110.121,06**
C. Deferred expenses		**694.624,67**	**596.295,34**
D. Deferred tax assets		**580.230,13**	**2.006.025,12**
		107.176.921,30	**99.471.726,01**

PASSIVA	31.12.2022 EUR		31.12.2021 EUR
A. Equitiy Capital			
I. Subscribed Capital			
1. Subscribed Capital	39940,00		39.940,00
2. Share Capital	-644,00		-644,00
		32.296,00	**39.296,00**
II. Capital reserves			
1. Premium on the issue of shares and other additional payments	74.011.852,45		74.011.852,45
2. Premium for the acquisition of shares	-241.463,19		-241.463,19
		73.770.389,26	**73.770.389,26**
III. Equitiy differences from exchange rates		**481.549,82**	**-816.961,06**
IV. Balance sheet loss		**-61.323.313,91**	**-63.403.440,01**
V. minority interests		**-82.135,34**	**-99.805,75**
		12.885.785,83	**9.489.478,44**
B. Provisions			
1. Provision for taxes	3.399.266,40		2.079.820,06
2. Other provisions	6.188.564,18		4.091.986,96
		9.587.830,58	**6.171.807,02**
C. Liabilities			
1. Bonds and Vendor loans	35.000.000,00		0,00
2. Liabilities to banks	7.074.954,40		12.359.958,90
3. Long term loans	15.198.733,33		48.161.798,64
4. Payments received on account of orders	0,00		9.820,15
5. Trade accounts payables	21.318.431,96		15.241.242,22
6. Trade accounts payables - Financial Lease	2.614.595,13		4.255.848,47
7. Other Liabilities	3.164.098,89		3.250.395,41
- from Taxes: EUR 1.097.805,21 (previous year: EUR 731.988,54)			
- from social securities: EUR 321.253,63 (previous year: EUR 317.964,91)			
		84.370.813,71	**83.279.063,79**
D. Deferred Income		**28.004,56**	**45.957,00**
E. Deferred tax liabilities		**304.486,62**	**485.419,76**
		107.176.921,30	**99.471.726,01**

GROUP PROFIT AND LOSS STATEMENT 2022

BOOSTER Precision Components GmbH, Frankfurt am Main

		2022 EUR	2021 EUR
1. Revenue (Net sales)		**156.153.063,09**	**129.392.253,31**
2. Changes in self-produced goods		**1.678.028,40**	**1.901.986,12**
3. Self-produced capitalised assets		**194.548,94**	**410.696,76**
4. Other income		**6.494.679,99**	**7.830.324,62**
- Income from fx-effects: EUR 2.383.261,16 (Previous Year: EUR 3.137.895,96)			
5. Material Costs			
a) Costs of raw materials consumables and supplies – third party	-76.814.615,80		-60.074.438,89
b) Costs for value- added services - third party	-4.317.139,61		-4.642.262,34
		-81.131.755,41	**-64.716.701,23**
6. Employee Benefit Costs			
a) Wages and saleries	-27.488.075,87		-22.592.870,41
b) Social security contributions Expenses for retirement benefits	-6.191.786,63		-5.421.335,28
- thereof retirement: EUR 204.271,95 (previous year: EUR 111.092,81)			
		-33.679.862,50	**-28.014.205,69**
7. Depreciation and amortization costs		**-8.715.813,78**	**-11.105.754,38**
8. Other operating expenses		**-30.142.177,38**	**-28.969.998,68**
- therof expenses from fx-effects: EUR 2.821.554,36 (previous year: EUR 3.575.209,19)			
9. Interest Income		**7.174,32**	**29.309,78**
10. Interest Expenses		**-5.097.735,00**	**-4.836.014,68**
11. Taxes on income		**-3.559.932,84**	**-2.673.989,29**
- thereof deferred Tax: EUR 1.716.300,40 (Previous year: EUR 64.358,47)			
12. Profit or loss after tax		**2.200.217,83**	**-752.093,36**
13. Other Taxes		**-97.963,46**	**-341.928,42**
14. Group Net income / Net loss before transfer agreement		**2.102.254,37**	**-1.094.021,78**
15. Group Income / loss carry forward		**-63.403.440,01**	**-62.303.156,04**
16. Non-Controlling interests		**-22.128,27**	**-6.262,19**
17. Group result		**-61.323.313,91**	**-63.403.440,01**

GROUP CASHFLOW STATEMENT

BOOSTER Precision Components GmbH, Frankfurt am Main

	2022 EUR	2021 EUR
Profit for the period (consolidated net income/net loss including minority interest)	2.102.254,37	-1.094.021,78
Depreciation, amortisation and write-downs of non-current assets	8.715.813,78	11.105.754,38
Increase /decrease of provisions	1.886.036,22	-1.051.371,88
Other non cash income/expenses	-232.810,34	-57.376,92
Increase in inventories, trade account receivables and other assets not attributable to investing or financing activities	-9.368.904,47	-5.300.287,85
Increase/decrease in trade account payables and other liabilities not attributable to investing or financing activities	5.839.799,84	-555.030,50
Gain/loss on disposal of non-current assets	-2.402.366,59	-712.503,69
Interest expenses/interest income	5.090.560,68	4.806.704,90
Income tax expense	3.559.932,84	2.673.989,29
Income tax payments	-623.555,65	-1.236.505,11
Effect of exchange rate movements on balance sheet items	925.535,50	606.625,90
Cash flow from operating activities	**15.492.296,18**	**9.185.976,74**
Proceeds from disposal of intangible assets	0,0	580.417,77
Cash outflows for investments in intangible assets	-124.889,71	-461.368,50
Proceeds from disposals of tangible fixed assets	9.893.434,43	5.973.527,26
Cash outflows for investments in tangible fixed assets	-8.768.726,93	-7.271.134,44
Interest received	7.174,32	29.309,78
Cash flow from investing activities	**1.006.992,11**	**-1.149.248,13**
Proceeds from the issue of bonds and the raising of financial loans	50.000.000,00	1.760.306,87
Outflows from the repayment of financial loans	-53.446.803,14	-1.701.337,63
Outgoing/incoming payments related to financial lease	-1.659.685,15	-2.609.046,19
Interest paid	-4.559.601,67	-3.836.397,17
Cash flow from financing activities	**-9.666.089,96**	**-6.386.474,12**
Net change in cash funds	**6.833.198,33**	**1.650.254,49**
Effect on cash funds from exchange rate movements and reevaluations	2.994,86	18.348,45
Cash funds at the beginning of period	7.321.932,74	5.653.329,80
Cash funds at the end of the period	**14.158.125,93**	**7.321.932,74**

STATEMENT OF CHANGES IN EQUITY 2022

BOOSTER Precision Components GmbH, Frankfurt am Main

	GROUP EQUITY					
	Subscribed Capital			Capital reserves		
	Nominal value EUR	Nominal value of own shares EUR	Sum EUR	according to § 272 Abs. 2 Nr. 1 - 3 HGB EUR	according to § 272 Abs. 2 Nr. 4 HGB EUR	offset difference from capital consolidation EUR
Stand 01.01.2021	**39.940,00**	**-644,00**	**39.296,00**	**9.975.000,00**	**54.738.261,90**	**9.298.590,55**
Exchange rate-related change in equity			0,00			
Group net loss			0,00			
Stand 31.12.2021	**39.940,00**	**-644,00**	**39.296,00**	**9.975.000,00**	**54.738.261,90**	**9.298.590,55**
Stand 01.01.2022	**39.940,00**	**-644,00**	**39.296,00**	**9.975.000,00**	**54.738.261,90**	**9.298.590,55**
Exchange rate-related change in equity			0,00			
Group net income			0,00			
Stand 31.12.2022	**39.940,00**	**-644,00**	**39.296,00**	**9.975.000,00**	**54.738.261,90**	**9.298.590,55**

Premium to acquisition of own shares	Sum	Equitiy difference of exchange rates	Group Balance sheet loss	Sum	NON-CONTROLLING INTERESTS	GROUP EQUITY
EUR	EUR	EUR	EUR	EUR	EUR	EUR
-241.463,19	**73.770.389,26**	**-2.798.932,58**	**-62.303.156,04**	**8.707.596,64**	**-109.142,89**	**8.598.453,75**
	0,00	1.981.971,52		1.981.971,52	3.074,95	1.985.046,47
	0,00		-1.100.283,97	-1.100.283,97	6.262,19	-1.094.021,78
-241.463,19	**73.770.389,26**	**-816.961,06**	**-63.403.440,01**	**9.589.284,19**	**-99.805,75**	**9.489.478,44**
-241.463,19	**73.770.389,26**	**-816.961,06**	**-63.403.440,01**	**9.589.284,19**	**-99.805,75**	**9.489.478,44**
	0,00	1.298.510,88		1.298.510,88	-4.457,86	1.294.053,02
	0,00		2.080.126,10	2.080.126,10	22.128,27	2.102.254,37
-241.463,19	**73.770.389,26**	**481.549,82**	**-61.323.313,91**	**12.967.921,17**	**-82.135,34**	**12.885.785,83**

NOTES TO THE *CONSOLIDATED FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2022

1. GENERAL INFORMATION

The consolidated financial statements of BOOSTER Precision Components GmbH, Frank-furt am Main, HRB 108196 (Frankfurt am Main Local Court) as of 31 December 2022 were prepared pursuant to §§ 290 et seq. HGB (German Commercial Code) in accordance with the provisions of the German Commercial Code on the accounting of corporations, the supplementary provisions of the GmbH Act and the provisions of the articles of association.

The consolidated balance sheet was structured according to the commercial law classification scheme pursuant to § 266 of the German Commercial Code (HGB), and the consolidated profit and loss account was prepared pursuant to § 275 of the HGB in graduated form according to the nature of expense method.

The consolidated financial statement covers the financial year from 1 January 2022 to 31 December 2022.

The consolidated financial statement was prepared in euros (EUR).

We combined individual items of the consolidated balance sheet and the consolidated profit and loss account in order to improve the clarity of presentation and have therefore broken them down and explained them separately in these notes to the consolidated financial statements. The disclosures on the inclusion of other items and other notes were also made here for the same reason.

In contrast to the previous year, energy costs of TEUR 6,518 (previous year: TEUR 2,971) were not reported under other operating expenses, but – following the prevailing opinion in literature and corporate practice – under purchased services in the cost of materials; the previous year's disclosure was not adjusted.

2. CONSOLIDATED ENTITIES

In addition to BOOSTER Precision Components GmbH, Frankfurt am Main, the consolidated companies include the following subsidiaries:

Name and registered office of the company	Share in capital in % of	Type of inclusion
Direct shareholdings		
BOOSTER Precision Components (Schwanewede) GmbH Schwanewede, Germany	100,00%	K
BPC Holding SAS Thyez, France	99.99 %	K
BOOSTER Precision Components (Belusa) s.r.o. Belusa, Slovakia	100.0 %	K
BOOSTER Precision Components (Povazska Bystrica) s.r.o. Povazska Bystrica, Slovakia	100.0 %	K
BOOSTER Precision Components (Mexicali) S. de R.L. de C.V. Mexicali, Mexico	99.99 %	K
Indirect investments		
BOOSTER Precision Components (Taicang) Co. Ltd. Taicang, China	99.99 %	K
BPC Real Estate Povazska Bystrica, Slovakia	99.99 %	K
Financière de l'Arve SAS Thyez, France	99.99 %	K
BOOSTER Precision Components (Mexicali) S. de R.L. de C.V. Mexicali, Mexico	0.01 %	K

K: fully consolidated subsidiary

3. CONSOLIDATION PRINCIPLES

The consolidation methods were unchanged from the previous year.

3.1 Reporting date for preparation

The consolidated financial statements were prepared as of the reporting date of BOOSTER Precision Components GmbH (31 December 2022). The annual financial statements of all subsidiaries included in the consolidated financial statements were also prepared as of the reporting date of the consolidated financial statements.

3.2 Capital consolidation

The value of the shares held by the parent company in a subsidiary included in the consolidated financial statement is offset against the amount of the equity capital of the subsidiary attributable to these shares. Equity capital is recognised at the amount corresponding to the fair value of the assets, liabilities, and deferred items to be included in the consolidated financial statement at the time relevant for offsetting. Provisions are valued in accordance with § 253 (1) and (2) German Commercial Code (HGB) and deferred taxes in accordance with § 274 (2) German Commercial Code (HGB).

The differences on the assets side resulting from capital consolidation were treated pursuant to §§ 301 para. 3, 309 German Commercial Code (HGB). The difference on the liabilities side remaining from the capital consolidation was transferred to the capital reserve in 2016 without affecting profit or loss.

In the reporting period, non-controlling shareholders accounted for a share of consolidated equity of TEUR -82 (previous year: TEUR -100).

3.3 Debt consolidation

Financial assets and liabilities between the companies included in the consolidated financial statement are offset against each other.

3.4 Elimination of interim results

Assets included in the consolidated financial statements that are based in whole or in part on deliveries or services between companies included in the consolidated financial statements were valued in the consolidated balance sheet at the Group production costs.

4. ACCOUNTING POLICIES

The following accounting policies continued to be applied in the preparation of the consolidated financial statements..

4.1 Currency translation

Pursuant to § 256a of the German Commercial Code (HGB), all assets and liabilities denominated in foreign currencies are translated at the spot exchange rate on the reporting date. Assets and liabilities with a remaining term of less than one year are translated without observing the historical cost or realisation and imparity principle. Differences arising from this translation are disclosed separately in the notes to the consolidated financial statements pursuant to § 277 (5) sentence 2 HGB in conjunction with § 284 (1) HGB.

With the exception of equity capital pursuant to § 308a HGB, the asset and liability items of the balance sheets of the subsidiaries domiciled in China and Mexico that are denominated in foreign currencies are translated at the spot exchange rate on the balance sheet date. Equity capital is translated into euros using historical exchange rates. The items of the profit and loss accounts are converted at the average monthly exchange rates. In the present consolidated financial statement, the conversion difference resulting from this conversion is shown separately under the item "Equity capital difference from currency translation" within the consolidated equity pursuant to § 308a p. 3 HGB.

Effects on earnings resulting from the currency translation pursuant to § 256a German Commercial Code (HGB), which are included in the annual financial statements of the subsidiaries, were treated as affecting net income within the scope of the debt consolidation.

The offsetting differences between the foreign currency receivables and liabilities of the subsidiaries included in the consolidated financial statements based on currency translation pursuant to § 308a of the German Commercial Code (HGB) were recognised in the exchange rate compensation item in equity without effect on profit or loss as part of the debt consolidation.

4.2 Intangible assets

Acquired and internally generated fixed assets are carried at acquisition or production costs and, if subject to wear and tear, are amortised on a straight-line basis over their useful lives of between two and ten years.
Acquired goodwill is written off over a period of five years.

4.3 Tangible fixed assets

Tangible fixed assets are stated at acquisition or production costs and, if subject to wear and tear, are reduced by scheduled depreciations. In addition to direct costs, the production costs of self-constructed assets also include pro rata overheads and depreciation caused by production.

Tangible fixed assets are written off on a straight-line basis over their expected useful life. This is 30 to 50 years for buildings, 10 years for leasehold improvements and between 3 and 12 years for movable fixed assets within the scope of the usual useful lives.

Low-value fixed assets up to a net individual value of EUR 800 were fully written off or expensed in Germany in the year of acquisition; their immediate disposal was assumed.

4.4 Inventories

Inventories are stated at the lower of acquisition or production costs or current market value. The values of inventories are determined using permissible simplified valuation methods (moving average valuation), considering the lower of cost or market principle.

Inventories of raw materials and supplies are valued at the lower of average purchase price or current market price on the balance sheet date.
Unfinished and finished products are valued at production cost on the basis of itemised costings based on the current operating accounts, whereby production and material overheads as well as depreciation are considered in addition to the directly attributable direct material costs and production wages. For unfinished and finished products, interest on borrowed capital was not included in the production costs. General administration costs were capitalised pursuant to § 255 (2) sentence 3 German Commercial Code (HGB).

In all cases, valuation was loss-free, i.e., deductions were made from the anticipated sales prices for costs still to be incurred.

All recognisable risks in the inventory assets resulting from above-average storage periods, reduced usability and lower replacement costs are considered by appropriate devaluations.

4.5 Receivables and other assets

Receivables and other assets are stated at par value. All risk-bearing items are considered through the formation of appropriate individual value adjustments; the general credit risk is considered through lump-sum deductions. Non-interest-bearing or low-interest-bearing receivables with a term of more than one year are generally discounted.

4.6 Factoring

BOOSTER Precision Components (Schwanewede) GmbH undertook to offer Süd Factoring GmbH, Stuttgart, all receivables from goods deliveries and services to customers (debtors) for purchase on an ongoing basis in accordance with an agreement dated 3 February 2016. Süd Factoring GmbH takes over the purchase and collection of the receivables and, in accordance with the contract, either acquires the receivables of the company on a EURO basis or takes them over on a fiduciary basis for collection.

To a large extent, the accounting treatment of the matter is based on management's assessment of the materiality of the currency and country risks not transferred and the comparison of the purchase price discount for creditworthiness risks with a percentage rate customary among credit insurers. Süd Factoring is assigned all material (credit) risks and beneficial ownership of these receivables. Therefore, the receivables purchased by Süd Factoring GmbH are derecognised upon sale (so-called "true factoring" with the consequence of balance sheet contraction).

4.7 Cash balance and bank balances

Cash and cash equivalents are recognised at par value on the balance sheet date.

4.8 Deferred items on the assets side of the balance sheet

Payments made before the reporting date are recognised as deferred items if they represent expenses for a certain period after this date.

4.9 Provisions

Provisions for taxes and other provisions consider all uncertain liabilities and impending losses from pending transactions. They are recognised at the settlement amount required according to prudent business judgment, i.e., including future cost and price increases. Provisions with a remaining term of more than one year are discounted at the average market interest rate of the past seven financial years corresponding to their remaining term and published by the Deutsche Bundesbank pursuant to § 253 (2) German Commercial Code (HGB).

4.10 Liabilities

Liabilities are stated at their settlement amount.

Assets and liabilities denominated in foreign currencies were converted at the average spot exchange rate on the reporting date. For remaining terms of more than one year, the realisation principle (section 252, paragraph 1, no. 4, half-sentence 2 of the German Commercial Code (HGB)) and the acquisition cost principle (section 253, paragraph 1, sentence 1 of the German Commercial Code (HGB)) were adhered to.

4.11 Deferred taxes

Deferred taxes are calculated pursuant to § 274 German Commercial Code (HGB) in accordance with the concept of the balance sheet liability method. If there are temporary differences resulting from the different treatment of certain balance sheet items between the annual financial statements under commercial law and the annual financial statements for tax purposes, these lead to deferred tax assets or liabilities (so-called "temporary concept"). In addition, deferred taxes can be formed on future tax-reducing claims.

Deferred tax assets on deductible temporary differences and tax-reducing claims can only be capitalised to the extent that it can be expected that they will be covered in future periods by sufficiently available deferred tax assets. Additional deferred tax assets can only be capitalised if sufficient taxable income can be utilised in the following five years.

Insofar as, at the level of the individual subsidiaries included in the consolidated financial statement, a tax relief resulted overall from the differences between the commercial law valuations of assets, liabilities and deferred items and their tax valuations, which are expected to be reduced in later financial years, as well as due to usable loss carried forward as at the balance sheet date (deferred tax assets), the option to capitalise was exercised and the resulting deferred tax assets were capitalised pursuant to §§ 300, 308 in conjunction with § 274 para. 1 sentence 2 German Commercial Code (HGB).

Any tax charge arising at the level of the individual subsidiaries included in the consolidated financial statement is recognised in the consolidated balance sheet as a deferred tax liability.

In the event that consolidation measures lead to differences between the commercial-law valuations of assets, liabilities or deferred items and their tax valuations, and if these differences are expected to be reversed in later financial years, a total resulting tax charge is recognised as a deferred tax liability and a total resulting tax relief as a deferred tax asset in the consolidated balance sheet. Differences arising from the first-time recognition of a remaining difference from capital consolidation in accordance with § 301 para. 3 German Commercial Code (HGB) are not considered.

Deferred taxes are measured on the basis of combined, company-specific revenue tax rates that are expected to apply at the time the differences are eliminated. Deferred taxes resulting from valuation differences in connection with the elimination of interim results (§ 304 German Commercial Code (HGB)) are valued at the combined revenue tax rate of the subsidiary receiving the delivery.

The valuation is based on the following combined income tax rates:

Subsidiaries	Tax rate %
BOOSTER Precision Components (Schwanewede) GmbH Schwanewede, Germany	30.5
BPC Holding SAS Thyez, France	30.0
BOOSTER Precision Components (Taicang) Co. Ltd. Taicang, China	25.0
BOOSTER Precision Components (Belusa) s.r.o. Belusa, Slovakia	21.0
BOOSTER Precision Components (Povazska Bystrica) s.r.o. Povazska Bystrica, Slovakia	21.0
BPC Real Estate Povazska Bystrica, Slovakia	21.0
Financière de l'Arve SAS Thyez, France	30.0
BOOSTER Precision Components (Mexicali) S. de R.L. de C.V. Mexicali, Mexico	30.0

5. NOTES TO THE CONSOLIDATED BALANCE SHEET

5.1 Fixed assets

Fixed assets of foreign subsidiaries that do not prepare their financial statements in euros are converted at the respective spot exchange rate on the balance sheet date. The resulting exchange rate differences from the previous year are shown separately in the assets analysis. The development of the individual fixed asset items is shown in the consolidated statement of changes in fixed assets, together with the depreciation and amortisation for the financial year.

5.2 Inventories

The inventories are pledged as collateral to the bondholders.

5.3 Receivables and other assets

	31/12/2022 TEUR	31/12/2021 TEUR
Trade accout receivable	16,480	13,021
- of which remaining term of more than one year	-	-
Other assets	6,018	3,221
- of which remaining term of more than one year	-	-
	22,498	**16,242**

Receivables and other assets include TEUR 120 (previous year: TEUR 171) in receivables that do not legally arise until after the balance sheet date.

5.4 Deferred items

As of 31 December 2022, deferred tax assets include a discount totalling TEUR 0 (previous year: TEUR 5).

5.5 Deferred tax assets and liabilities

Deferred tax assets of TEUR 580 (previous year: TEUR 2,006) were recognised in the financial year. Losses carried forward for the French Group companies amounted to TEUR 0 (previous year: TEUR 1,964), Taicang TEUR 360 (previous year: TEUR 0) and Mexicali TEUR 210 (previous year: TEUR 30), and the elimination of intercompany profits for inventories amounted to TEUR 10 (previous year: TEUR 15).

Deferred tax liabilities of TEUR 304 (previous year: TEUR 485) were recognised by BOOSTER Precision Components (Belusa) s.r.o. in the amount of TEUR 291 and BPC Real Estate in the amount of TEUR 13 and mainly relate to passive temporary differences from other provisions.

The deferred tax expense amounts to TEUR 1,716 (previous year deferred tax income: TEUR 12) and is reported under "taxes on income and profit".

Deferred taxes developed as follows during the financial year:

	01/01/2022 TEUR	Addition / release TEUR	Exchange differences TEUR	31/12/2022 TEUR
Deferred tax assets	1,979	-1,897	498	580
Deferred taxes and liabilities	-485	181	0	-304

5.6 Equity capital

The subscribed capital remains unchanged at TEUR 39.

5.7 Consolidated accumulated loss

	TEUR
Consolidated loss carried forward	-63,403
Group net profit for the year 2022	2,102
Share of profit attributable to other shareholders	-22
Consolidated accumulated loss	**-61,323**

5.8 Other provisions

The other provisions were mainly for holiday entitlements and special compensation of TEUR 2,150 (previous year: TEUR 877), outstanding supplier invoices of TEUR 2,033 (previous year: TEUR 722,000), business incentives of TEUR 509,000 (previous year: TEUR 509,000), deferred maintenance of TEUR 502,000 (previous year: TEUR 500,000), bonus payments of TEUR 457,000 (previous year: TEUR 404,000), year-end closing and consulting services of TEUR 381,000 (previous year: TEUR 614,000) and warranty claims of TEUR 150,000 (previous year: TEUR 466).

5.9 Liabilities

The remaining terms and the collateralisation of the liabilities are shown in detail in the following liabilities schedule.

	31/12/2022 Remaining term			
	up to 1 year	1 - 5 years	> 5 years	Total
Bonds	1,500	33,500	-	**35,000**
Amounts owed to credit institutions	589	6,487	-	**7,076**
Long-term investment loans	-	15,199	-	**15,199**
Trade payables	21,318	-	-	**21,318**
Liabilities arising from finance leases	2,615	-	-	**2,615**
Other liabilities	3,163	-	-	**3,163**
- of which from taxes	1,098	-	-	**1,098**
- of which social security	321	-	-	**321**
Total	**29,185**	**55,186**	**0**	**84,371**

	31/12/2021 Remaining term			
	up to 1 year	1 - 5 years	> 5 years	Total
Amounts owed to credit institutions	3,864	8,498	-	**12,362**
Long-term investment loans	2	48,160	-	**48,162**
Trade payables	15,241	-	-	**15,241**
Liabilities arising from finance leases	2,320	1,936	-	**4,256**
Advance payments received on orders	9	-	-	**9**
Other liabilities	3,250	-	-	**3,250**
- of which from taxes	732	-	-	**732**
- of which social security	318	-	-	**318**
Total	**24,686**	**58,594**	**0**	**83,280**

Borrowings are secured by pledges of bank balances and by assignment of accounts receivable trade and assignments of inventories and technical plant and machinery as security.

6. OFF-BALANCE SHEET TRANSACTIONS

For information on factoring, please refer to section 4.6.

In the past financial year, the factory premises in Belusa were sold for EUR 9.7 million under a sale and lease-back agreement; the factory premises continue to be used under a lease agreement.

7. OTHER FINANCIAL OBLIGATIONS

in TEUR

	up to 1 year	1 to 5 years	> 5 years	Total
from rental contracts	1,131	4,407	2,301	7,839
from leasing contracts	24	17	-	41
Purchase commitments	989	-	-	989
Other financial obligations	**2,144**	**4,424**	**2,301**	**8,869**

8. CONTINGENT LIABILITIES

There are no contingent liabilities as defined by §251 German Commercial Code (HGB).

9. NOTES TO THE PROFIT AND LOSS STATEMENT

9.1 Sales revenue

9.1.1 Breakdown by product group

	Product group	2022 TEUR	%	2021 TEUR	%	Change TEUR	%
Automotive ICE	Compressor Wheel	79,266	51	68,113	53	11,153	42
	Variable Turbine Geometry	72,524	46	59,070	46	13,453	50
	Fuel Cell	162	0	0	0	162	1
Total		**151,952**	**97**	**127,183**	**98**	**24,768**	**93**
E-Mobility (incl. PHEV)	Scroll	992	1	0	0	992	4
Industry	Hydraulics	358	0	0	0	358	1
Others		2,851	2	2,209	2	642	2
Total		**156,153**	**100**	**129,392**	**100**	**26,760**	**100**

9.1.2 Breakdown by geographical markets

Sales markets	2022		2021		Change	
Sales	TEUR	%	TEUR	%	TEUR	%
Germany	11,201	7	8,044	6	3,157	12
Other EU countries	69,468	45	61,205	47	8,263	31
North America	46,417	30	34,874	27	11,543	43
South America	5,623	4	5,261	4	362	1
Asia	23,444	15	20,008	16	3,436	13
Total	**156,153**	**100**	**129,392**	**100**	**26,761**	**100**

9.2 Other operating income

Other operating income includes income from currency translation differences of TEUR 2,383 (previous year: TEUR 3,138) and a gain from the sale of the property in Belusa (Slovakia) of TEUR 2,740.

9.3 Other operating expenses

Other operating expenses include expenses from currency translation differences of TEUR 2,822 (previous year: TEUR 3,575).

9.4 Taxes on income and revenue

Of the income tax expense, TEUR 1,425 relates to deferred tax assets of the French, Mexican and Chinese subsidiaries and TEUR 290 to deferred tax liabilities of the Slovakian subsidiaries.

10. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Cash and cash equivalents are included in cash and cash equivalents. Amounts owed to credit institutions and other short-term borrowings that are part of the disposition of cash and cash equivalents are also included in cash and cash equivalents and are openly deducted.

The cash and cash equivalents are composed of the following components:

	31/12/2022 TEUR	31/12/2021 TEUR
Cash	4	5
Bank balances	14,154	7,317
Cash and cash equivalents	**14,158**	**7,322**

11. NOTES TO THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Please refer to the consolidated statement of changes in equity.

12. OTHER INFORMATION

The managing directors of the company in the financial year were:

- Mr Jerko Bartolić, Operations, Technology and Sales
- Dr. Ralph Wagner, Finance, Accounting, Controlling, IT, Purchasing and Human Resources

In accordance with § 10 of the articles of association, the shareholders of the company appointed an advisory board (supervisory board). The members of the Advisory Board (Supervisory Board) are:

- Mr Stephan Schaller
- Dr. Harald Balzer

13. TOTAL REMUNERATION OF THE ADVISORY BOARD (SUPERVISORY BOARD) AND THE MANAGEMENT BOARD

The total remuneration of the Advisory Board (Supervisory Board) and the Executive Board is not disclosed pursuant to § 286 para. 4 German Commercial Code (HGB).

14. EMPLOYEES

Average number of employees during the financial year:

	2022	2021
Commercial employees	150	146
Industrial employees	696	669
	846	**815**

15. GROUP RELATIONS

The company prepares consolidated financial statements in accordance with the accounting regulations of the German Commercial Code as of 31 December 2022, in which the company is included as the parent company. The majority shareholder on the balance sheet date is Halder Germany II GmbH & Co. KG, Frankfurt am Main.

16. DISCLOSURE

For the following subsidiary, the disclosure exemptions of section 264 (3) of the German Commercial Code (HGB) are applied: BOOSTER Precision Components (Schwanewede) GmbH, Schwanewede.

17. TOTAL FEES OF THE AUDITOR

The consulting fees include expenses for the auditor amounting to TEUR 183. EUR 79,000 is accounted for by auditing services and EUR 104,000 by other certification services. Corresponding provisions were posted for the 2022 annual audit fee.

18. APPROPRIATION OF EARNINGS

BOOSTER Precision Components GmbH shows a balance sheet loss as of 31 December 2022. There is therefore no need to decide on the appropriation of the result.

19. SUPPLEMENTARY REPORT

No events of material significance have occurred.

Frankfurt am Main, 31 March 2023

signed by	signed by
Jerko Bartolić	**Dr. Ralph Wagner**
Chief Executive Officer	*Chief Financial Officer*

FIXED ASSETS DEVELOPMENT

BOOSTER Precision Components GmbH, Frankfurt am Main

ACQUISITION AND PRODUCT COSTS						
	01.01.2022 EUR	**Currency Difference EUR**	**Increase EUR**	**Decrease EUR**	**Reposting EUR**	**31.12.2022 EUR**
I. Immaterielle Vermögensgegenstände						
1.Concessions, trademarks, similar						
Rights and assets	48.120.230,89	16.795,87	280.040,78	919.117,76	753.955,68	48.251.905,46
2. Goodwill	86.726,29	0,00	0,00	0,00	0,00	86.726,29
	48.206.957,18	**16.795,87**	**280.040,78**	**919.117,76**	**753.955,68**	**48.338.631,75**
II. Tangible Assets						
1. Land and Building	12.910.676,01	-46.328,97	66.218,60	8.402.166,96	0,00	4.528.398,68
2. Technical facilities and machinery	74.594.742,27	775.161,82	3.576.420,67	4.570.289,21	5.710.748,08	80.086.783,63
3. Other equipment	7.887.719,30	234.887,70	407.139,11	424.194,77	157.180,15	8.262.731,49
4. Payments on account and assets under construction	2.405.412,63	14.911,48	6.335.978,24	0,00	- 7.429.396,89	1.326.905,46
	97.798.550,21	**978.632,03**	**10.385.756,62**	**13.396.650,94**	**- 1.561.468,66**	**94.204.819,26**
III. Financial assets						
Other financial assets	2.031,08	0,00	0,00	0,00	0,00	2.031,08
	2.031,08	**0,00**	**0,00**	**0,00**	**0,00**	**2.031,08**
	146.007.538,47	**995.427,90**	**10.665.797,40**	**14.315.768,70**	**807.512,98**	**142.545.482,09**

ACCRUED DEPRECIATION AND AMORTIZATION						NET BOOK VALUES	
01.01.2022 EUR	Currency Difference EUR	Increase EUR	Decrease EUR	Reposting EUR	31.12.2022 EUR	31.12.2022 EUR	31.12.2021 EUR
43.496.865,90	-1.785,81	1.260.290,05	446.424,25	0,00	44.308.945,89	3.942.959,57	4.623.364,99
86.726,29	0,00	0,00	0,00	0,00	86.726,29	0,00	0,00
43.583.592,19	**-1.785,81**	**1.260.290,05**	**446.424,25**	**0,00**	**44.395.672,18**	**3.942.959,57**	**4.623.364,99**
3.439.749,25	-31.233,93	526.543,46	1.661.986,00	0,00	2.273.072,78	2.255.325,90	9.470.926,76
46.055.876,69	626.792,20	6.546.172,75	3.055.938,66	557,19	50.172.345,79	29.914.437,84	28.538.865,58
5.169.035,85	36.132,78	359.097,36	295.684,17	-557,19	5.269.139,01	2.993.592,48	2.718.683,45
0,00	0,00	23.710,16	0,00	0,00	23.710,16	1.303.195,30	2.405.412,63
54.664.661,79	**631.691,05**	**7.455.523,73**	**5.013.608,83**	**0,00**	**57.738.267,74**	**36.466.551,52**	**43.133.888,42**
0,00	0,00	0,00	0,00	0,00	0,00	2.031,08	2.031,08
0,00	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**2.031,08**	**2.031,08**
98.248.253,98	**629.905,24**	**8.715.813,78**	**5.460.033,08**	**0,00**	**102.133.939,92**	**40.411.542,17**	**47.759.284,49**

REPORT OF THE INDEPENDENT AUDITOR

OF THE CONSOLIDATED FINANCIAL STATEMENTS

AUDIT OPINION

We have audited the consolidated financial statements of BOOSTER Precision Components GmbH, Frankfurt am Main, and its subsidiaries (the Group), consisting of the consolidated balance sheet as of December 31, 2022, the consolidated income statement, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the fiscal year from January 1 to December 31, 2022, as well as the notes, including the presentation of the accounting and valuation methods. In addition, we have audited the group management report of BOOSTER Precision Components GmbH, Frankfurt am Main, for the fiscal year from January 1 to December 31, 2022.

According to our assessment owing to the knowledge gained during the audit,

- the enclosed consolidated financial statements comply in all essential concerns with the German regulations under commercial law that are applicable for corporations and by complying with the German principles of proper accounting, give a picture of the net assets and financial position of the group which corresponds with the actual circumstances as of December 31, 2022, as well as its results of operations for the business year from January 1 to December 31, 2022 and

- the enclosed group management report gives, on the whole, a true picture of the position of the group. In all essential concerns, this group management report is in line with the consolidated financial statements, it corresponds with the German statutory regulations and correctly presents the opportunities and risks of the future development.

Pursuant to § 322 Para. 3 Sentence 1 HGB (German Commercial Code), we declare that our audit did not lead to any objections against the appropriateness of the consolidated financial statements and the group management report.

The basis for the audit opinion

We have conducted our audit of the consolidated financial statements and the group management report in compliance with § 317 HGB (German Commercial Code) by complying with the German principles of proper auditing of consolidated financial statements as promulgated by the Institute of Public Auditors in Germany (IDW). Our responsibility according to these regulations and principles is described in more detail in section "Responsibility of the auditor of consolidated financial statements for the audit of the consolidated financial statements and the group management report" of our auditor’s report. We are independent from the group in compliance with the German regulations under commercial law and the professional code regulations and have fulfilled our other German professional obligations in compliance with these requirements. We are of the opinion that the audit evidence obtained by us is sufficient and suitable in order to serve as a basis for our audit opinions regarding the consolidated financial statements and the group management report.

Responsibility of the legal representatives for the consolidated financial statements and the group management report

The legal representatives are responsible for the preparation of the consolidated financial statements, which comply with the German regulations under commercial law that are applicable for corporations in all essential concerns, and for the fact that the consolidated financial statements by complying with the German principles of proper accounting, give a true picture of the net assets, financial position and results of operations of the group, which correspond with the actual circumstances. Furthermore, the legal representatives are responsible for the internal controls, which they have determined to be necessary in compliance with the German principles of proper accounting, in order to enable the preparation of consolidated financial statements, which are free of material - intended or unintended - misrepresentations.

When preparing the consolidated financial statements, the legal representatives are responsible for assessing the ability of the group as a going concern. Furthermore, they have the responsibility to disclose facts in connection with the going concern insofar as relevant. In addition, they are responsible, based on the accounting principles, for accounting the going concern, if this is not opposed by actual or legal conditions.

In addition, the legal representatives are responsible for the preparation of the group management report, which on the whole gives a true picture of the position of the group as well as in all essential concerns is in line with the consolidated financial statements, complies with the German statutory regulations and correctly presents the opportunities and risks of the future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems), which they have considered to be necessary in order to enable the preparation of a group management report in compliance with the applicable German statutory regulations, and in order to be able to provide sufficient suitable proof for the statements in the group management report.

The supervisory board is responsible for overseeing the financial reporting process of the group for the preparation of the consolidated financial statements and the consolidated management report.

Responsibility of the auditor of the consolidated financial statements for the audit of the consolidated financial statements and group management report

Our objective is to achieve sufficient certainty whether the consolidated financial statements in their entirety are free of material – intended or unintended – misrepresentations, and whether the group management report, on the whole, gives a true picture of the position of the group as well as in all essential concerns is in line with the consolidated financial statements, as well as with the knowledge gained during the audit, complies with the German statutory regulations and correctly presents the opportunities and risks of the future development, as well as to issue an auditor’s report, which includes our audit opinions regarding the consolidated financial statements and the group management report.

Sufficient certainty is a high degree of certainty, however no guarantee for the fact that an audit conducted in line with § 317 HGB (German Commercial Code) by complying with the German principles of proper auditing of consolidated financial statements as promulgated by the Institute of Certified Public Accountants (IDW) always detects a material misrepresentation. Misrepresentations may result from breaches or inaccuracies and will be seen as material if it can be reasonably expected that, individually or on the whole, they may influence financial decisions made by addressees based on these consolidated financial statements and the group management report.

The website of the Institute of Public Auditors in Germany (IDW) at

https://www.idw.de/idw/verlautbarungen/bestaetigungsvermerk/hgb-konzern-non-pie.

contains a more detailed description of the auditor's responsibility for the audit of the consolidated financial statements and the group management report. This description forms part of our audit opinion.

Osnabrück, dated March 31, 2023

Dr. Klein, Dr. Mönstermann + Partner GmbH
Auditing firm Tax consulting firm

signed by	signed by
Dunkel	**Dr. Joswig**
Auditor	*Auditor*

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Publisher
BOOSTER Precision Components GmbH
Bockenheimer Landstraße 93
60325 Frankfurt a. M. / Germany

Agency
Straub & Straub GmbH
Art Direction Andy Lindemann
Layout Stefanie Parello

Picture credits
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ELBE&FLUT / Jonas Wölk page 4, 6–7, 21, 53, cover
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