Report

on the
Audit of the consolidated financial statements
as at 31 December 2021

and the
Group management report 2021

HLB Klein Mönstermann

Dr. Klein, Dr. Mönstermann
+ Partner GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

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Booster Precision Components GmbH

Frankfurt am Main

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MAIN PART

A. Audit engagement

By resolution of the Advisory Board (Supervisory Board) on 7 September 2021 of

Booster Precision Components GmbH, Frankfurt am Main
(hereinafter "BPC", "Company" or "Parent Company")

we were elected as group auditor for the financial year 2021. The Advisory Board (Supervisory Board) subsequently engaged us to audit the consolidated financial statements as of 31 December 2021 and the Group management report in accordance with sections 316 ff. HGB (German Commercial Code).

The company is obliged to prepare consolidated financial statements and a Group management report in accordance with Sections 290 et seq. HGB (German Commercial Code) and to have these audited in accordance with Section 316 (2) HGB.

We confirm in accordance with section 321 (4)a HGB that we have complied with the applicable independence requirements in our audit.

This audit report, which was prepared in accordance with the principles of the Institut der Wirtschaftsprüfer in Deutschland e. V. (IDW) Auditing Standard 450, provides information on the results of the audit. The audit report is addressed to the audited company.

The General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (as of 1 January 2017), which are attached to this report as Annex 8, are authoritative for the performance of the engagement and our responsibility - also in relation to third parties.

B. Fundamental findings

I. Economic fundamentals and significant legal changes

Basis of the company

The BPC Group is an international supplier specialising in the production and distribution of precision metal parts. The BPC Group comprises nine companies in four countries. The BPC Group's activities currently focus on components for turbochargers, which are primarily used in the automotive sector. BPC, based in Frankfurt am Main, is the holding company of the BPC Group and provides management, consulting and other services for its domestic and foreign subsidiaries.

Production takes place at five locations in four countries (one location each in China, Germany and Mexico as well as two locations in Slovakia). All BPC Group plants follow the same organisational structure in functional terms: production, quality, engineering, human resources and finance. In addition, the sales and purchasing departments are also geographically located at the aforementioned sites, but work across all sites.

There were no significant legal changes in the reporting year.

II. Statement on the assessment of the situation by the legal representatives

The management has presented the Group management report attached as Annex 6. In the following, we comment on the management's presentation of the course of business and the situation of the Group. In doing so, we have emphasised the facts and developments that we consider to be significant for the assessment of the Group's position and in particular the assessment of the Group's continued existence and future development.

Economic situation and business performance

The Group management report contains the following key statements on the economic situation and business performance:

According to the IfW (Kiel Economic Report 85), the global economy grew by 5.7% in the 2021 reporting period following a decline of -3.8% in the previous year. In Germany, gross domestic product only rose by 2.6% compared to the global economy after a decline of -4.9% in the previous year. Growth was more pronounced in China in 2021 at 7.8% (previous year: 2.3%) and in Mexico at 5.5% (previous year: -8.4%).

In addition to coping with the effects of the COVID-19 pandemic and the chip crisis in 2021, the automotive industry continues to face major challenges and structural changes associated with the climate crisis and climate change. The legal pressure on the automotive industry to minimise CO^2 emissions is increasing. Since 2020, the average CO^2 emissions for all new registrations in the EU may only amount to a maximum of 95 grams of carbon dioxide per kilometre. This corresponds to an average consumption of 3.6 litres of diesel or 4.1 litres of petrol based on the NEDC test cycle. In addition, the EU has decided that the average consumption of all new registrations must fall by 35% by 2030 compared to the average consumption of new registrations in 2020. These targets can only be achieved through a higher proportion of combustion engines with turbo assistance and a higher proportion of vehicles without combustion engines.

According to BPC, 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. It is also expected that the proportion of petrol engines in new registrations will increase and the proportion of diesel engines will decrease.

Earnings position of the Group

Sales increased from EUR 112.2 million to a total of EUR 129.4 million (+15.3%). The BPC Group generated earnings before interest, taxes, depreciation and amortisation (EBITDA) of EUR 17.5 million, which corresponds to an EBITDA margin of 13.3%. In the previous year, EBITDA totalled EUR 14.0 million (EBITDA margin of 12.2%). The cost of materials ratio increased from 48.9% to 49.3% in the financial year. Personnel expenses totalled EUR 28.0 million (previous year: EUR 25.4 million) and increased as a result of the rise in sales. The personnel cost ratio fell by 0.9% from 22.2% to 21.3%.

Other operating income of EUR 7.8 million (previous year: EUR 9.2 million) was offset by other operating expenses of EUR 29.0 million (previous year: EUR 28.2 million). At EUR -2.9 million, depreciation and amortisation of EUR 11.1 million was below the previous year's level (EUR 14.0 million). The decrease is due to lower amortisation of intangible assets resulting from acquisitions in 2015 and 2016 (EUR 3.9 million; previous year: EUR 6.4 million). Excluding this amortisation, which is not attributable to operating activities, earnings after taxes for 2021 amount to EUR 3.1 million (previous year: EUR 1.5 million). At the end of the financial year, these intangible assets still had a carrying amount of EUR 1.5 million.

The net interest result of EUR -4.8 million improved by EUR 0.2 million compared to the previous year (EUR 5.0 million). Income taxes totalled EUR -2.7 million in the financial year (previous year: EUR 0.2 million). These mainly relate to effective taxes of the companies totalling EUR 1.9 million as well as tax back payments already made or expected for previous financial years. The tax charges for the current year are mainly due to the more positive tax results.

The consolidated net loss for the 2021 financial year was EUR -1.1 million (previous year: EUR -4.8 million) and is therefore in line with the budget planned for 2021.

Financial position of the Group

Fixed assets account for 48.0% (previous year: 55.4%) of total assets totalling EUR 99.5 million (previous year: EUR 99.9 million).

Property, plant and equipment accounted for 43.4% (previous year: 43.2%) of the balance sheet total. Property, plant and equipment fell mainly due to scheduled depreciation, which exceeded investments by EUR 2.5 million, and currency effects (EUR -0.8 million). Intangible assets account for 4.6% (previous year: 9.0%) of the balance sheet total. Depreciation and amortisation (EUR 4.3 million) almost exclusively includes the scheduled amortisation of intangible assets that were capitalised as part of the company acquisitions and acquisition processes in 2015 and 2016 (EUR 4.2 million).

Current assets totalled EUR 49.1 million (previous year: EUR 42.2 million). In the current financial year, inventories increased by EUR 1.5 million, receivables by EUR 3.8 million and bank balances by EUR 1.7 million.

Financial position of the Group and cash flow

Equity totalled EUR 9.5 million (previous year: EUR 8.6 million). Consolidated equity changed due to the consolidated net loss for the year (EUR -1.1 million) and the development of the currency conversion adjustment (EUR 2.0 million). As a result, the equity ratio improved by 0.9% to 9.5%.

Total liabilities to banks and non-current investment loans to a debt fund totalled EUR 60.5 million (previous year: EUR 59.8 million). The non-current investment loans totalling EUR 48.2 million (previous year: EUR 47.7 million) were repayment-free in the financial year and are due at the end of the term. The maturity of all investment loans was agreed for June 2023. The interest rates are also fixed until 2023. Liabilities to banks include, in particular, working capital loans and loans in Slovakia totalling EUR 7.3 million (previous year: EUR 7.3 million) and in China of EUR 5.0 million (previous year: EUR 3.4 million).

Trade payables fell from EUR 16.9 million to EUR 15.2 million. Liabilities from finance leases fell from EUR 6.7 million to EUR 4.3 million.

The BPC Group generated cash flow from operating activities of EUR 9.2 million (previous year: EUR 13.8 million). Cash flow from investing activities totalled EUR -1.1 million (previous year: EUR -6.8 million); the significant decline is due to the fact that the company property in Schwanewede was sold for EUR 4.3 million in the past financial year as part of a sale and leaseback agreement. As a result, free cash flow (operating cash flow after taking into account cash outflows from investments) totalled EUR 8.1 million (previous year: EUR 7.0 million). Cash flow from financing activities totalled EUR -6.4 million (previous year: EUR -4.7 million). It mainly includes the repayment of liabilities from finance leases and interest paid. Overall, the operating cash flow was used to fully finance investments in the financial year as well as repayments and interest on financial liabilities, increasing cash and cash equivalents by EUR 1.7 million at the end of the year.

Non-financial performance indicators

The BPC Group cites employee and management development and customer satisfaction as non-financial performance indicators.

Forecast, risk and opportunity report

We provide the following comments on the key statements in the forecast, risk and opportunity report:

Forecast 2022:

The BPC Group is targeting sales of EUR 131 million with EBITDA of EUR 17.1 million for 2022; it also aims to break even and generate a moderate profit. Earnings planning is based on the margins expected for customer projects, the personnel required for production and business operations and other operating expenses. Current assets totalled EUR 49.1 million (previous year: EUR 42.2 million). In the current financial year, inventories increased by EUR 1.4 million, receivables by EUR 3.3 million and bank balances by EUR 1.7 million.

The management assumes that the COVID-19 pandemic will be overcome in spring 2022. This will lead to a stabilisation of the global economy, the demand situation on the automotive market and thus the BPC Group's sales revenues. On the other hand, the outbreak of war in Ukraine poses considerable risks for further development (price and supply risks for specific raw materials and energy as well as negative economic risks).

Opportunity and risk report:

Financial risks such as liquidity, currency and interest rate risk are managed centrally by the Group Executive Board.

The risks of economic and political crises, country-specific laws or protectionist interventions that influence trade are countered by decentralised production in Europe, North America and China.

The dynamics of the COVID-19 pandemic may continue to have unforeseeable effects that could have a significant negative impact on the BPC Group's business performance, meaning that the planned sales and earnings targets for 2022 may not be achieved.

For the BPC Group, the war in Ukraine primarily leads to risks on the supply side. In particular, the significant rise in energy prices should be mentioned here. This risk is being countered with immediate measures to save energy and by negotiating with customers to pass on the increase in costs. The war is having a significant impact on commodity prices (e.g. nickel, aluminium) and possibly on the future supply situation (e.g. titanium). With regard to raw material prices, Booster is largely protected by price escalation clauses in customer contracts. Booster is endeavouring to increase stockpiling in order to secure supplies.

In the automotive supply industry, there are volume and price risks in particular. These can lead to fluctuating sales due to delays in individual customer call-offs. We respond to these risks by systematically expanding our markets, acquiring new customers, entering new regions, innovating and continuously improving production technologies and managing costs.

In addition to current account liabilities, finance leases and factoring, medium-term investment loans are key sources of financing for the BPC Group. A significant decline in cash surpluses from operating activities could, on the one hand, jeopardise the required interest and redemption payments and compliance with the agreed financial covenants. On the other hand, it would not be possible to realise necessary investments to a sufficient extent. In the opinion of the management, the BPC Group has sufficient liquidity reserves until 2023, taking into account the financing measures described for the Group's financial position and cash flow.

The international nature of our business activities and our locations in Mexico and China make it necessary to conduct business in foreign currencies. Exchange rate fluctuations against the euro can have a negative impact on sales, costs and earnings. The net risk exposure is continuously monitored by the management.

The management sees opportunities in a moderate increase in the market volume for exhaust gas turbochargers over the next five years. The decline in the 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. Accordingly, the BPC Group was able to secure new orders that will enable further growth.

Summarised assessment

In our opinion, the business development and the position of the Group are suitably presented and assessed by the management in the consolidated financial statements and the Group management report. The presentation of the expected development of the Group in the Group management report is based on assumptions that leave room for judgement. In our opinion, this presentation is plausible and accurate overall.

C. Reproduction of the audit opinion

Based on the final results of our audit, we have issued the following unqualified audit opinion, which is reproduced here:

"Independent Auditor's Report of the Independent Auditor

To Booster Precision Components GmbH, Frankfurt am Main

Audit judgements

We have audited the consolidated financial statements of Booster Precision Components GmbH, Frankfurt am Main, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2021, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the financial year from 1 January to 31 December 2021, and notes to the consolidated financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the group management report of Booster Precision Components GmbH, Frankfurt am Main, for the financial year from 1 January to 31 December 2021.

In our opinion, based on the findings of our audit

- *the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2021 and of its financial performance for the financial year from 1 January to 31 December 2021 in compliance with German Legally Required Accounting Principles, and*
- *the accompanying Group management report as a whole provides a suitable view of the Group's position. In all material respects, this Group management report is consistent with the consolidated financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development.*

Pursuant to section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the audit judgements

We conducted our audit of the consolidated financial statements and of the group management report in accordance with section 317 HGB and generally accepted German standards for the audit of financial statements as promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] *(IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the Group companies in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.*

Management's Responsibility for the Consolidated Financial Statements and the Group Management Report

Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the requirements of German commercial law, and that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. Furthermore, they are responsible for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless *there are factual or legal circumstances to the contrary.*

Furthermore, management is responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The Advisory Board (Supervisory Board) is responsible for overseeing the company's financial reporting process for the preparation of the consolidated financial statements and the Group management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position, is consistent with the consolidated financial statements and the audit findings, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this Group management report.

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

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

contains a further description of the auditor's responsibilities for the audit of the consolidated financial statements and of the group management report. This description forms part of our auditor's report."

D. Subject, type and scope of the audit

I. Subject of the audit

The subject of our audit was the consolidated financial statements of Booster Precision Components GmbH, comprising the consolidated balance sheet, the consolidated income statement, notes to the consolidated financial statements and cash flow statement, statement of changes in equity, for the financial year ended 31 December 2021 and the Group management report. The consolidated financial statements have been prepared in accordance with the accounting provisions of the German Commercial Code (Section 290 et seq. HGB) in the version applicable on the balance sheet date.

The audit of the consolidated financial statements covers the audit of the scope of consolidation, the annual financial statements included in the consolidated financial statements and the consolidation measures taken. The audit also covered the necessary adjustments to the consolidated amounts in accordance with Section 300 (2) HGB and the uniform Group valuation methods in accordance with Section 308 HGB.

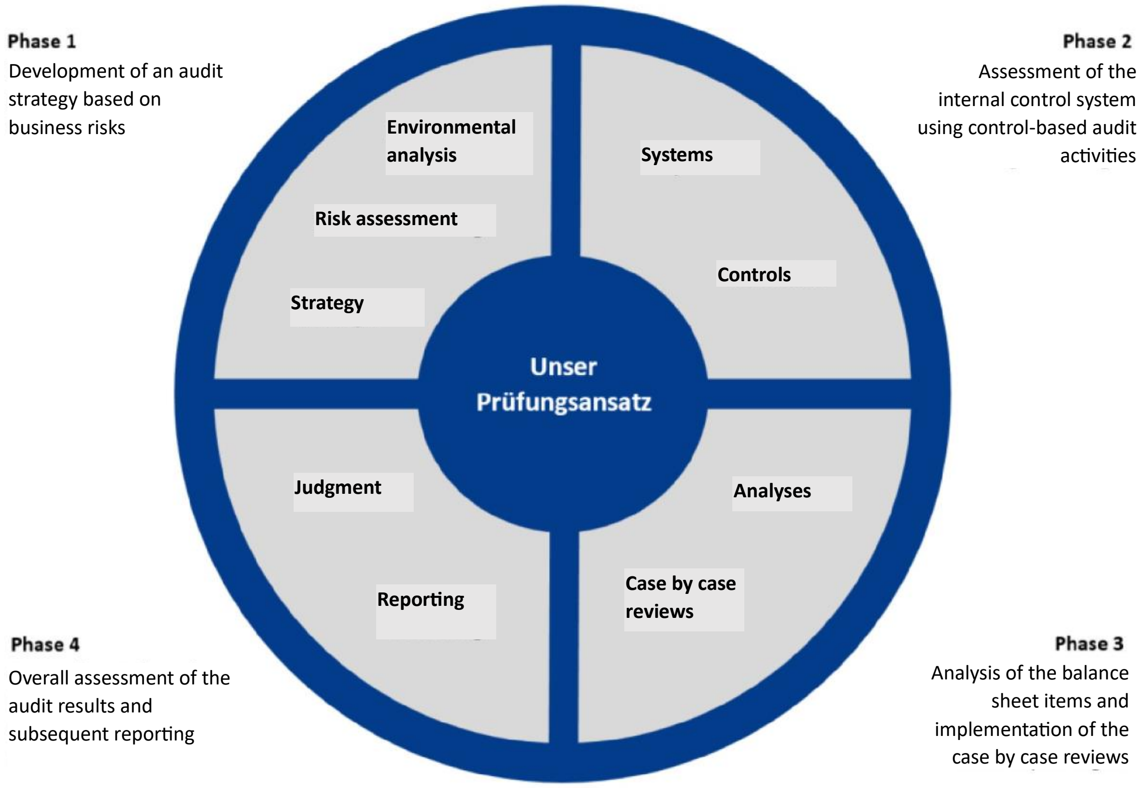
With regard to the responsibility of the legal representatives for the accounting, the controls established for this purpose and the responsibility of the auditor for the audit of the consolidated financial statements and the Group management report, we refer to the explanations in the auditor's report, which is reproduced in section C.

In accordance with Section 317 (4a) HGB, our audit does not extend to determining whether the continued existence of the audited company or the effectiveness and efficiency of its management can be assured.

II Type and scope of the audit

We conducted our audit in accordance with sections 316 et seqq. HGB and generally accepted standards for the audit of financial statements promulgated by the IDW. The objective of our risk-oriented audit approach is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. We have audited the Group management report as to whether it provides a suitable understanding of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and suitably presents the opportunities and risks of future development.

The main features of our audit approach are as follows:



In the **first phase,** we gained an understanding of the Group's business. This understanding is based on an assessment of the business environment and information provided by management about the Group's key objectives, strategies and business risks. In addition, we performed analytical procedures to identify and assess the risks of material misstatement in the consolidated financial statements and performed a preliminary assessment of the Group's position and a fundamental evaluation of the Group's accounting-related internal control system and risk management. We also considered findings from our audit of the separate financial statements.

We have audited the annual financial statements of Booster Precision Component GmbH, Frankfurt am Main, and Booster Precision Components (Schwanewede) GmbH, Schwanewede, for the year ended 31 December 2021 and have issued an unqualified audit opinion in each case.

Where the annual financial statements and the commercial balance sheets II of the consolidated companies were audited by another auditor, we satisfied ourselves of the auditor's professional competence and qualifications. The quality of the work is ensured by a binding audit guideline based on the auditing standards / International Standards on Auditing (ISA) and by obtaining written reports (partly in the form of checklists and questionnaires) on the audit procedures and results performed, joint discussions or by inspecting the working papers. This utilisation of audit results was performed for the following companies:

- Booster Precision Components (Taicang) Co. Ltd, China
- Booster Precision Components (Belusa) s.r.o., Slovakia
- Booster Precision Components (Povazska Bystrica) s.r.o., Slovakia
- BPC Real Estate, Slovakia
- Booster Precision Components (Mexicali) S. de R.L. de C.V., Mexico.

We did not perform an audit of the consolidated financial statements and the commercial balance sheets II of the following two companies; as these companies are not considered material by us, we performed analytical procedures as part of the audit of the consolidated financial statements:

- BPC Holding SAS, France
- Fiancière de l'Arve SAS, France

In the **second phase**, we assessed the design and effectiveness of the consolidation process and Group-wide controls based on our risk assessment of the Group's business environment and the consolidation process.

- We examined the completeness of the scope of consolidation on the basis of the documents submitted to us on the scope of the companies belonging to the Group (investment lists, Group charts, etc.). We also relied on the findings from the audit of the separate financial statements of the parent company and individual Group companies.

- We examined the effectiveness of the regulations on uniform accounting and measurement in the Group on the basis of the documents submitted to us on the accounting treatment of individual matters relevant to the Group; in addition, material matters at the individual Group companies were discussed together with the management.

- To assess the consolidation process, we evaluated the tools used for consolidation and the existing consolidation expertise. We also analysed the procedures for identifying intragroup transactions requiring elimination.

- The consolidation process was analysed to determine whether the consolidation entries from previous years were carried forward and whether the consolidation entries for the reporting year were processed correctly in the system.

- The process of obtaining and processing information relevant to consolidation and information for preparing the notes and management report was reviewed.

The **third phase** comprised the determination of audit procedures for individual areas of the consolidation process in order to obtain reasonable assurance. We determined the following key audit matters:

- Definition of the scope of consolidation
- Regularity of the financial statements included in the consolidated financial statements
- Currency conversion
- Capital consolidation
- Debt consolidation
- Elimination of interim results
- Consolidation of income and expenses

- Recognition of deferred taxes
- Cash flow statement

We performed analytical audit procedures (IDW PS 312) in the form of prior-year comparisons of individual items in the consolidated balance sheet and the consolidated income statement and in analysing the net assets, financial position and results of operations.

We selected the audit team and the deployment of specialists as part of our audit planning. We also determined the strategy and timing of the audit, resulting in a structured, risk-orientated audit plan.

As part of our audit of the Group management report, we examined in particular whether the statements on the course of business, including the business results and the situation, as well as the disclosures on the most significant financial performance indicators, are consistent with the Group management report. We have examined the plausibility of the forward-looking statements, taking into account the methods applied, including data collection and preparation.

In the **fourth phase**, the assessment of our audit results formed the basis for our audit opinions on the consolidated financial statements and the Group management report, on the basis of which we issued our audit opinion. This forms part of our reporting alongside the audit report.

All information and evidence we requested was provided to us by the management of the parent company and its subsidiaries and the employees designated by them. The management has confirmed to us in writing that the consolidated financial statements are complete.

In a supplementary declaration, the management also confirmed that, in its opinion, the effects of uncorrected audit differences in the consolidated financial statements and uncorrected disclosures in the Group management report are immaterial, both individually and in total.

E. Findings and notes to the consolidated financial statements

I. Group accounting and other audited documents

The consolidated balance sheet and the consolidated income statement have been properly prepared from the individual financial statements to be consolidated.

Consolidation is IT-supported via the accounts of the companies included in the consolidation. The balance sheet items resulting from the consolidation measures, such as goodwill or realised hidden reserves, are also recorded and updated with IT support. The standard Lucanet software is used for this purpose.

II. Scope of consolidation and balance sheet date

Scope of consolidation

The scope of consolidation has been correctly determined and presented in the notes to the consolidated financial statements (Annex 5). The consolidated financial statements of the company thus result from the aggregation and consolidation of the annual financial statements of Booster Precision Components GmbH with one domestic and seven foreign subsidiaries. The scope of consolidation has been defined consistently and unchanged from the previous year.

Consolidated balance sheet date

The consolidated financial year covers the period from 1 January to 31 December. All companies included in the consolidated financial statements prepare their annual financial statements as at 31 December.

III. Audit of the financial statements included in the consolidated financial statements

The regularity of the separate financial statements for the consolidated companies is based on the unqualified audit opinions, the audit reports and reporting documents of the auditors and the results of our own audit procedures.

The adjustment of the annual financial statements of the companies to be included in the consolidated financial statements to the standardised Group accounting and valuation was carried out properly.

The annual financial statements of the domestic subsidiary included in the consolidated financial statements comply with the provisions of Sections 264 et seq. HGB. The seven annual financial statements of the foreign companies were prepared in accordance with local commercial law. Of these, five foreign subsidiaries were audited in accordance with the auditing standards of the respective country.

The Group does not have a Group accounting guideline, but the parent company issues accounting instructions for individual material accounting issues to the subsidiaries concerned, which serve to ensure the standardised measurement of the same issues within the Group.

IV. Consolidated financial statements

Compliance of the consolidated financial statements

The consolidated financial statements comply in all material respects with all statutory accounting requirements applicable to the parent company.

The consolidated financial statements have been properly derived from the consolidated financial statements. The consolidation methods applied and the principles of currency conversion applied comply with the statutory provisions and are consistent with the previous year and have been applied correctly. The consolidation entries were carried forward correctly.

The principles of capital consolidation, debt consolidation, expense and income consolidation, the treatment of interim results and currency conversion are described in detail in the notes to the consolidated financial statements.

The company has rightly omitted to report on the remuneration of the Management Board, the Advisory Board and the former members of the executive bodies in the notes with reference to Section 314 (3) HGB in conjunction with Section 314 (1) no. 6 letters a and b HGB in corresponding application of Section 286 (4) HGB.

The previous year's financial statements as at 31 December 2020 audited by Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Nuremberg, and issued with an unqualified audit opinion dated 30 March 2021 were approved at the shareholder meeting on 6 May 2021.

In the consolidated financial statements, accounting and valuation options permitted under commercial law are exercised in deviation from the recommendations of the German Accounting Standards Committee (DRSC). Following announcement by the Federal Ministry of Justice and Consumer Protection, these are regarded as principles of proper consolidated accounting that must be observed. Non-compliance with these principles does not generally lead to a qualification of the audit opinion for the consolidated financial statements, provided that the consolidated accounting complies with the provisions of commercial law. Nonetheless, non-compliance with the standards of the DRSC must be pointed out.

Contrary to DRS 18 (Deferred Taxes), no reconciliation statement was prepared to show the relationship between the tax expense expected using the tax rate applicable in Germany or a weighted Group tax rate and the tax expense recognised in the notes to the consolidated financial statements.

The cash flow statement attached in accordance with Section 297 (1) HGB (Annex 3) has been properly prepared in compliance with DRS 21. Explanatory information has been included in the notes.

Changes in equity are presented in the statement of changes in equity (Annex 4). The statement is prepared in accordance with DRS 22.

V. Overall statement of the annual financial statements

In our opinion, based on the findings of our audit, the consolidated financial statements as at 31 December 2021, comprising the consolidated balance sheet, the consolidated income statement and the notes to the consolidated financial statements, statement of changes in equity and cash flow statement, give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with German principles of proper accounting.

Valuation principles

The valuation principles are appropriately presented in the notes to the consolidated financial statements (Annex 5 to this report). The parent company has made appropriate use of existing accounting and valuation options. The exercise of the following accounting and valuation options and judgements has a material impact on the overall presentation of the consolidated financial statements:

At Booster Precision Components (Schwanwede [sic]) GmbH, hidden reserves were uncovered in 2015 and intangible assets (customer relationships, brand value, technology, customer orders, goodwill) were capitalised. As at 31 December 2021, these assets had a residual carrying amount of EUR 1.5 million; amortisation of EUR 4.1 million was recognised in the reporting year.

The revaluation of the subsidiaries of the former French CCN Group – including all foreign Group companies – resulted in a negative goodwill totalling EUR 9.3 million, which was transferred to the capital reserve in 2016. All hidden reserves identified as part of this capital consolidation have been amortised.

Measures shaping the facts

In the reporting year, the following transactions were recorded with a significant impact on the overall statement of the consolidated financial statements:

- As in previous years, significant investments in technical equipment and machinery at the subsidiaries Booster Precision Components (Schwanwede [sic]) GmbH, Booster Precision Components (Belusa) s.r.o. and Booster Precision Components (Povazska Bystrica) s.r.o. are financed through leasing or hire-purchase agreements. These contracts have a term of between 36 and 84 months. The economic ownership of all leases lies with the respective lessee, so that the leased assets are capitalised as fixed assets and the corresponding lease liability is recognised at present value under trade payables. For the financial year, these leases resulted in liabilities totalling EUR 4.3 million (previous year: EUR 6.7 million).
- The property in Schwanewede was sold to Deutsche Industrie REIT-AG, Rostock, (DIR) for EUR 4.3 million in the current financial year as part of a sale and leaseback agreement. At the same time, a rental agreement was concluded with DIR, which includes a monthly net cold rent of EUR 30 thousand. The achieved capital gain of EUR 0.6 million was recognised in the

income statement under other operating income.

- A factoring agreement exists with Süd Factoring GmbH, Stuttgart, (SFG). Under this agreement, Booster Precision Components (Schwanewede) GmbH offers to purchase all receivables from deliveries of goods and services from SFG covered by the agreement dated 3 February 2016 and the terms and conditions agreement on an ongoing basis. As all material (credit) risks and thus the economic ownership of the receivables are transferred to SFG, the receivables are derecognised by Booster Precision Components (Schwanewede) GmbH upon sale.

VI. Group management report

In all material respects, the Group management report complies with the legal requirements and the requirements of DRS 20 (Group management report) to the extent that these requirements are more specific than the legal requirements. It is consistent with the consolidated financial statements and the findings of our audit. The Group management report as a whole provides a suitable view of the Group's position. In our opinion, the significant opportunities and risks of future development are appropriately presented in the Group management report.

F. Concluding remarks

Any use of our audit opinion outside of this audit report requires our prior consent. The publication or dissemination of the consolidated financial statements and/or the Group management report in a form that differs from the audited version requires our prior renewed opinion if our audit opinion is cited or reference is made to our audit; reference is made to Section 328 HGB.

This report has been digitally signed in the original. It is only valid with the corresponding digital signatures.

Osnabrück, 25 March 2022

Dr Klein, Dr Mönstermann + Partner GmbH
Auditing company
Tax consultancy firm

[signature]	[signature]
Dunkel	Joswig
Auditor	Auditor

ANNEXES

Consolidated balance sheet as at 31 December 2021

Booster Precision Components GmbH, Frankfurt am Main

ASSETS

	31.12.2021 EUR		31.12.2020 EUR
A. Fixed assets			
I. Intangible assets			
1. Purchased concessions, industrial property rights and similar rights and assets as well as licences to such rights and values	4,623,364.99		7,410,078.98
2. advance payments made	0.00		1,563,049.81
		4,623,364.99	8,973,128.79
II. Property, plant and equipment			
1. Land, land rights and similar rights, and buildings, including buildings on third-party land	9,470,926.76		12,544,466.61
2. Technical equipment and machinery	28,538,865.58		29,610,214.42
3. Other equipment, operating and office equipment	2,718,683.45		2,197,171.44
4. Payments on account and assets under construction	2,405,412.63		2,040,071.90
		43,133,888.42	46,391,924.37
III. Financial assets			
Other financial assets		2,031.08	2,031.08
		47,759,284.49	55,367,084.24
B. Current assets			
I. Inventories			
1. Raw materials, consumables and supplies	10,917,979.05		10,247,400.83
2. Unfinished goods, unfinished services	3,930,666.18		4,358,808.48
3. Finished products and goods	10,697,981.33		9,473,284.71
4. Advance payments made	0.00		6,000.00
		25,546,626.56	24,085,494.02
II. Receivables and other assets			
1. Receivables from goods and services	13,020,719.10		9,657,121.88
2. Other assets	3,220,842.66		2,824,619.80
		16,241,561.76	12,481,741.68
III. Cash on hand, bank balances and cheques		7,321,932.74	5,653,329.80
		49,110,121.06	42,220,565.50
C. Prepaid expenses and deferred charges		596,295.34	275,769.11
D. Deferred tax assets		2,006,025.12	1,991,656.57
		99,471,726.01	99,855,075.42

LIABILITIES

	31.12.2021 EUR		31.12.2020 EUR
A. Equity capital			
I. Subscribed capital			
1. Subscribed Capital	39,940.00		39.940,00
2. Nominal amount of treasury shares	-644.00		-644.00
		39,296.00	39,296.00
II. Capital reserve			
1. Premium on the issue of shares and other 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. Equity difference from the currency conversion		-816,961.06	-2,798,932.58
IV. Consolidated balance sheet loss		-63,403,440.01	-62,303,156.04
V. Non-controlling interests		-99,805.75	-109,142.89
		9,489,478.44	8,598,453.75
B. Provisions			
1. Tax provisions	2,079,820.06		439,259.75
2. Other provisions	4,091,986.96		5,143,358.84
		6,171,807.02	5,582,618.59
C. Liabilities			
1. Liabilities to other credit institutions	12,359,958.90		11,745,588.29
2. Long-term investment loans	48,161,798.64		47,732,657.43
3. Advance payments received on orders	9,820.15		75,741.60
4. Trade payables	15,241,242.22		16,911,780.96
5. Liabilities from finance leases	4,255,848.47		6,660,375.74
6. Other liabilities	3,250,395.41		1,817,214.68
- thereof from taxes: EUR 731,988.54 (previous year: EUR 534,804.15)			
- of which in the context of social security: EUR 317,964.91 (previous year: EUR 288,736.84)			
		83,279,063.79	84,943,358.70
D. Prepaid expenses and deferred charges		45,957.00	297,708.04
E. Deferred tax liabilities		485,419.76	432,936.34
		99,471,726.01	99,855,075.42

Consolidated income statement 2021

Booster Precision Components GmbH, Frankfurt am Main

	2021 EUR		2020 EUR
1. Sales revenue		129,392,253.31	112,222,112.72
2. Increase in inventories of finished and work in progress		1,901,986.12	2,156,765.69
3. Other own work capitalised		410,696.76	66,821.83
4. Other operating income		7,830,324.62	9,217,018.25
- Income from currency conversion: EUR 3,137,895.96 (previous year: EUR 5,271,060.22)			
5. Cost of materials			
a) Expenses for raw materials, auxiliary materials and operating materials and for purchased goods	-60,074,438.89		-51,088,841.10
b) Expenses for procured services	-4,642,262.34		-4,892,98.72
		-64,716,701.23	-55,981,825.82
6. Personnel expenses			
a) Wages and salaries	-22,592,870.41		-20,264,782.21
b) Social security contributions and expenses for pensions and other post-employment benefits	-5,421,335.28		-5,181,329.71
- of which for pension schemes: EUR 111,092.81 (previous year: EUR 26,763.11)			
		-28,014,205.69	-25,446,111.92
7. Amortisation of intangible assets of the fixed assets and property, plant and equipment		-11,105,754.38	-13,950,766.14
8. Other operating expenses		-28,969,998.68	-28,201,219.45
- of which expenses from the currency conversion: EUR 3,575,209.19 (previous year: EUR 5,223,020.25)			
9. Other interest and similar income		29,309.78	3,962.35
10. Interest and similar expenses		-4,836,014.68	-4,989,576.45
11. Taxes on income		-2,673,989.29	173,209.50
- thereof from deferred taxes: EUR 64,358.47 (previous year (income from deferred taxes): EUR 219,534.56)			
12. Earnings after taxes		-752,093.36	-4,729,609.44
13. Other taxes		-341,928.42	-94,642.09
14. Consolidated net loss for the year		-1,094,021.78	-4,824,251.53
15. Consolidated loss carried forward from the previous year		-62,303,156.04	-57,480,930.68
16. Loss / profit attributable to non-controlling interests		-6,262.19	2,026.17
17. Consolidated net loss		-63,403,440.01	-62,303,156.04

Annex 3

Booster Precision Components GmbH, Frankfurt am Main
Cash flow statement

	2021 EUR	2020 kEUR
Profit for the period (consolidated net loss for the year including profit shares of other shareholders)	-1,094,021.78	-4,824
Depreciation and amortisation of fixed assets	11,105,754.38	13,951
Decrease/increase in provisions	-1,051,371.88	1,114
Other non-cash income/expenses	-57,376.92	-733
Increase/decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	-5,300,287.85	5,310
Decrease in trade payables and other liabilities not attributable to investing or financing activities	-555,030.50	-3,643
Profit/loss from the disposal of fixed assets	-712,503.69	703
Interest expenses/interest income	4,806,704.90	4,986
Income tax expense	2,673,989.29	-173
Income tax payments	-1,236,505.11	-1,331
Exchange rate-related changes to balance sheet items	606,625.90	-1,587
Cash flow from operating activities	**9,185,976.74**	**13,773**
Proceeds from the disposal of intangible assets	580,417.77	0
Payments for investments in intangible assets	-461,368.50	-1,342
Proceeds from the disposal of property, plant and equipment	5,973,527.26	3
Payments for investments in property, plant and equipment	-7,271,134.44	-5,416
Interest received	29,309.78	4
Cash flow from investing activities	**-1,149,248.13**	**-6,751**
Proceeds from equity contributions from shareholders of the parent company	0.00	3,505
Proceeds from the raising of financial loans	1,760,306.87	4,437
Payments from the repayment of financial loans	-1,701,337.63	-7,520
Payments from the repayment of liabilities from finance leases	-2,609,046.19	-3,002
Interest paid	-3,836,397.17	-2,183
Cash flow from financing activities	**-6,386,474.12**	**-4,763**
Cash-effective change in cash and cash equivalents	**1,650,254.49**	**2,259**
Exchange rate and valuation-related changes in cash and cash equivalents	18,348.45	-2
Cash and cash equivalents at the beginning of the period	5,653,329.80	3,396
Cash and cash equivalents at the end of the period	**7,321,932.74**	**5,653**

Booster Precision Components GmbH, Frankfurt am Main
Consolidated statement of changes in equity for 2021

	Equity of the parent company											Non-controlling shares	Group equity
	Subscribed capital			Capital reserve					Equity difference from currency conversion	Consolidated net loss	Total		
	Nominal amount	Nominal amount own shares	Total	Pursuant to Section 272 (2) No. 1-3 HGB	Pursuant to Section 272 (2) No. 4 HGB	Offset difference from the capital consolidation	Premium at acquisition of shares	Total					
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
As at 1.1.2000	**39,940.00**	**-644.00**	**39,296.00**	**9,975,000.00**	**51,233,563.27**	**9,298,590.55**	**-241,463.19**	**70,265,690.63**	**-379,616.51**	**-57,480,930.68**	**12,444,439.44**	**-109,877.50**	**12,334,561.94**
Capital increase			0.00		3,504,698.63			3,504,698.63			3,504,698.63		3,504,698.63
exchange rate-related change in equity			0.00					0.00	-2,419,316.07		-2,419,316.07	2,760.78	-2,416,555.29
Consolidated net loss for the year			0.00					0.00		-4,822,225.36	-4,822,225.36	-2,026.17	-4,824,251.53
As at 31.12.2020	**39,940.00**	**-644.00**	**39,296.00**	**9,975,000.00**	**54,738,261.90**	**9,298,590.55**	**-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**
As at 1.1.2021	**39,940.00**	**-644.00**	**39,296.00**	**9,975,000.00**	**54,738,261.90**	**9,298,590.55**	**-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**
exchange rate-related change in equity			0,00					0.00	1,981,971.52		1,981,971.52	3,074.95	1,985,046.47
Consolidated net loss for the year			0,00					0.00		-1,100,283.97	-1,100,283.97	6,262.19	-1,094,021.78
As at 31.12.2021	**39,940.00**	**-644.00**	**39,296.00**	**9,975,000.00**	**54,738,261.90**	**9,298,590.55**	**-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**

Booster Precision Components GmbH, Frankfurt am Main

Notes to the consolidated financial statements for the financial year from 1 January to 31 December 2021

1. General information

The consolidated financial statements of Booster Precision Components GmbH, Frankfurt am Main, HRB 108196 (Frankfurt am Main Local Court) as at 31 December 2021 were prepared in accordance with Sections 290 et seq. HGB in accordance with the provisions of the German Commercial Code on the accounting of corporations, the supplementary provisions of the German Limited Liability Companies Act and the provisions of the articles of association.

The consolidated balance sheet has been organised in accordance with the commercial law classification scheme pursuant to Section 266 HGB, while the consolidated income statement has been prepared in accordance with Section 275 HGB using the nature of expense method.

The consolidated financial statements cover the financial year from 1 January 2021 to 31 December 2021.

The consolidated financial statements are prepared in euros (EUR).

In order to improve the clarity of presentation, we have summarised individual items of the consolidated balance sheet and the consolidated income statement and have therefore broken them down and explained them separately in these notes to the consolidated financial statements. For the same reason, the disclosures on the inclusion of other items and other notes have also been made here.

In contrast to the previous year, the classification of finished goods and products was based on Section 266 HGB and no longer differentiated according to whether they are in transit or not; the previous year's disclosure was adjusted. Furthermore, the previous year's disclosure of deferred taxes was adjusted and both deferred tax assets and deferred tax liabilities were recognised.

2. Scope of consolidation

In addition to Booster Precision Components GmbH, Frankfurt am Main, the scope of consolidation includes the following subsidiaries:

Name and registered office of the company	Share in the capital in %	Type of involvement
Direct investments		
Booster Precision Components (Schwanewede) GmbH Schwanewede, Germany	100.00%	K
BPC Holding SAS Thyez, France	99.99%	K
Indirect investments		
Booster Precision Components (Taicang) Co. Ltd. Taicang, China	99.99%	K
Booster Precision Components (Belusa) s.r.o. Belusa, Slovakia	99.99%	K
Booster Precision Components (Povazska Bystrica) s.r.o. Povazska Bystrica, Slovakia	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	99.99 %	K

K: Fully consolidated subsidiary

3. Consolidation principles

The consolidation methods were applied unchanged from the previous year.

3.1 Reporting date for the statement

The consolidated financial statements are prepared as at the reporting date of Booster Precision Components GmbH (31 December 2021). The annual financial statements of all subsidiaries included in the consolidated financial statements were also prepared as at the reporting date of the consolidated financial statements.

3.2 Capital consolidation

The carrying amount of the shares held by the parent company in a subsidiary included in the consolidated financial statements is offset against the amount of the subsidiary's equity attributable to these shares. Equity is recognised at the amount corresponding to the fair value of the assets, liabilities and prepaid expenses to be included in the consolidated financial statements at the date relevant for offsetting. Provisions are recognised in accordance with Section 253 (1) and (2) HGB and deferred taxes in accordance with Section 274 (2) HGB.

The asset-side differences resulting from the capital consolidation were treated in accordance with Sections 301 (3) and 309 HGB. The remaining negative difference from the capital consolidation was recognised directly in equity in the capital reserve in 2016.

In the reporting period, non-controlling interests accounted for a share of Group equity totalling kEUR -100 (previous year: kEUR -110).

3.3 Debt consolidation

Receivables and liabilities between the companies included in the consolidated financial statements are offset against each other.

3.4 Elimination of interim results

Assets included in the consolidated financial statements, which are wholly or partly based on deliveries or services between companies included in the consolidated financial statements, were valued in the consolidated balance sheet at Group production cost.

4. Accounting and valuation methods

The following accounting and valuation methods were applied unchanged for the preparation of the consolidated financial statements.

4.1 Currency conversion

In accordance with Section 256a HGB, all assets and liabilities denominated in foreign currencies are converted at the mean spot exchange rate on the reporting date. Assets and liabilities with a remaining term of less than one year are converted without taking into account the acquisition cost or realisation and imparity principle. The differences from this conversion are disclosed separately in the notes to the consolidated financial statements in accordance with Section 277 (5) sentence 2 HGB in conjunction with Section 284 (1) HGB.

With the exception of equity in accordance with Section 308a HGB, the asset and liability items in the balance sheets of the subsidiaries based in China and Mexico that are denominated in foreign currencies are converted at the mean spot exchange rate on the balance sheet date. Equity is converted into euros using the historical exchange rates. Income statement items are converted at the average monthly exchange rates. In these consolidated financial statements, the conversion difference resulting from this conversion is disclosed separately under the item “Equity difference from currency conversion” within the Group equity capital pursuant to Section 308a sentence 3 HGB.

The effects on earnings resulting from currency conversion in accordance with Section 256a HGB, which are included in the annual financial statements of the subsidiaries, were recognised in the income statement as part of the debt consolidation.

The offsetting differences between the receivables and liabilities denominated in foreign currencies of the subsidiaries included in the consolidated financial statements based on currency conversion in accordance with Section 308a HGB were recognised directly in equity in the currency adjustment item as part of debt consolidation.

4.2 Intangible assets

Procured and internally produced intangible fixed assets are recognised at acquisition or production cost and, if they are subject to wear and tear, are amortised on a straight-line basis over their useful life, which is between two and ten years.

Acquired goodwill is amortised over a period of 5 years.

4.3 Property, plant and equipment

Property, plant and equipment is recognised at acquisition or production cost and, where depreciable, is reduced by scheduled depreciation. In addition to direct costs, the production costs of internally produced assets also include pro rata overheads and depreciation caused by production.

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

Low-value assets up to a net individual value of EUR 800 were fully depreciated or recognised as an expense in Germany in the year of acquisition; their immediate disposal was assumed.

4.4 Inventories

Inventories are recognised at the lower of cost or market value. The values of inventories are determined with the aid of authorised valuation simplification procedures (moving average valuation) in accordance with the lower of cost or market principle.

Inventories of raw materials and supplies are valued at the lower of average cost or market on the balance sheet date.

Work in progress and finished goods are valued at production cost on the basis of itemised costing based on current operating accounts, taking into account direct material costs and direct labour as well as production and material overheads and depreciation. Interest on borrowed capital was not included in the production costs for work in progress and finished goods. General administration costs were capitalised in accordance with Section 255 (2) sentence 3 HGB.

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

All recognisable risks in inventories resulting from above-average storage periods, reduced usability and lower replacement costs are taken into account through appropriate write-downs.

4.5 Receivables and other assets

Receivables and other assets are recognised at nominal value. All items subject to risk are recognised through the creation of appropriate specific valuation allowances; the general credit risk is taken into account through general discounts. Non-interest-bearing or low-interest receivables with a term of more than one year are generally discounted.

4.6 Factoring

In a contract dated 3 February 2016, Booster Precision Components (Schwanewede) GmbH undertook to offer all receivables from deliveries of goods and services to customers (debtors) to Süd Factoring GmbH, Stuttgart, for purchase on an ongoing basis. Süd Factoring handles the purchase and collection of the receivables and, according to the contract, either purchases the company's receivables on a euro basis or takes them over for collection on a fiduciary basis.

The accounting treatment of the matter is largely based on management estimates regarding the materiality of the currency and country risks not transferred and the comparison of the purchase price discount for credit risks with a percentage customary for credit insurers. All material (credit) risks and the economic ownership of these receivables are transferred to Süd Factoring. Therefore, the receivables purchased by Süd Factoring GmbH are recognised at sale (so-called “real factoring” resulting in balance sheet reduction).

4.7 Cash on hand and bank balances

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

4.8 Deferred income and prepaid expenses

Payments made before the balance sheet date are recognised as prepaid expenses if they represent expenses for a specific period after this date.

4.9 Provisions

Tax provisions and other provisions take into account all uncertain liabilities and impending losses from pending transactions. They are recognised at the settlement amount required according to prudent business judgement, 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 for the past seven financial years corresponding to their remaining term and published by the Deutsche Bundesbank in accordance with Section 253 (2) HGB.

4.10 Liabilities

Liabilities are recognised at the settlement amount.

Assets and liabilities denominated in foreign currencies were generally converted at the mean spot exchange rate on the reporting date. In the case of a residual term of more than one year, the realisation principle (Section 252 (1) no. 4 clause 2 HGB) and the acquisition cost principle (Section 253 (1) sentence 1 HGB) were observed.

4.11 Deferred taxes

Deferred taxes are calculated in accordance with Section 274 HGB using the balance sheet liability method. If there are temporary differences arising 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 deferred tax liabilities being recognised on future tax reduction claims.

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

If, at the level of the individual subsidiaries included in the consolidated financial statements, the differences between the carrying amounts of assets, liabilities and prepaid expenses and their tax base, which are expected to reverse in subsequent financial years, resulted in overall tax relief as at the balance sheet date or if tax loss carryforwards can probably be utilised within the next five years (deferred tax assets), the option to capitalise them was exercised and the resulting deferred tax assets were capitalised in accordance with Sections 300, 308 in conjunction with Section 274 (1) sentences 2 and 4 HGB. in conjunction with Section 274 (1) sentences 2 and 4 HGB.

An overall tax burden arising at the level of the individual subsidiaries included in the consolidated financial statements is recognised as a deferred tax liability in the consolidated balance sheet.

If consolidation measures result in differences between the carrying amounts of assets, liabilities or prepaid expenses under commercial law and their tax carrying amounts and these differences are expected to reverse in subsequent financial years, an overall resulting tax burden is recognised as a deferred tax liability and an overall resulting tax relief is recognised as a deferred tax asset in the consolidated balance sheet. Differences from the first-time recognition of a remaining difference from capital consolidation in accordance with Section 301 (3) HGB are not taken into account.

Deferred taxes are measured on the basis of combined, company-specific income tax rates that are expected to apply at the time the differences are reversed. Deferred taxes resulting from measurement differences in connection with the elimination of intercompany profits (Section 304 HGB) are measured using the combined income 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

The fixed assets of foreign subsidiaries that do not prepare their financial statements in euros are translated at the respective mean spot exchange rate on the balance sheet date. The resulting exchange rate differences compared to the previous year are recognised separately in the statement of changes in non-current assets. The development of the individual fixed asset items is shown in the consolidated statement of changes in fixed assets, including depreciation and amortisation for the financial year.

5.2 Inventories

Most of the inventories are pledged as collateral to banks with which master loan agreements exist.

5.3 Receivables and other assets

	31.12.2021 kEUR	31.12.2020 kEUR
Receivables from goods and services	13,021	9,657
- of which residual term of more than one year	-	-
Other assets	3,221	2,825
- of which residual term of more than one year	-	-
	16,242	**12,482**

Receivables and other assets include receivables totalling EUR 171 thousand (previous year: EUR 100 thousand) that do not legally arise until after the balance sheet date.

5.4 Deferred income

Prepaid expenses as at 31 December 2021 include a discount totalling kEUR 5 (previous year: kEUR 52).

5.5 Deferred tax assets and liabilities

Deferred tax assets of kEUR 2,006 (previous year: kEUR 1,992) were recognised in the financial year, of which kEUR 1,991 (previous year: kEUR 1,960) related to loss carryforwards of the French and Mexican Group companies and kEUR 15 (previous year: kEUR 31) to the elimination of intercompany profits in inventories.

Deferred tax liabilities of kEUR 486 (previous year: kEUR 433) were recognised by Booster Precision Components (Belusa) s.r.o., Booster Precision Components (Povazska Bystrica) s.r.o. and BPC Real Estate and mainly relate to temporary differences from other provisions.

Deferred tax expenses totalled kEUR 65 (previous year deferred tax income: kEUR 220) and is disclosed under the item “Taxes from income and revenue”.

Deferred taxes developed as follows in the course of the financial year:

	1.1.2021 kEUR	Allocation / reversal kEUR	Currency differences kEUR	31.12.2021 kEUR
Deferred tax assets	1,992	-12	26	2,006
Deferred tax liabilities	-433	-53	0	-486

5.6 Equity

The subscribed capital remains unchanged at kEUR 39.

5.7 Consolidated balance sheet loss

	kEUR
Consolidated loss carried forward	-62,303
Consolidated net loss for the year 2021	-1,094
Loss attributable to non-controlling interests	-6
Consolidated net loss	-63,403

5.8 Other provisions

Other provisions were mainly recognised for holiday entitlements and special remuneration of kEUR 877 (previous year: kEUR 1,183), outstanding supplier invoices of kEUR 722 (previous year: kEUR 1,181), annual financial statements and consultancy services of kEUR 614 (previous year: kEUR 334), business incentives of kEUR 509 (previous year: kEUR 0), deferred maintenance of kEUR 500 (previous year: kEUR 658), warranty claims of kEUR 466 (previous year: kEUR 1,008) and bonus payments of kEUR 404 (previous year: kEUR 168).

5.9 Liabilities

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

	31.12.2021 Remaining term			
	up to 1 year	1 - 5 years	over 5 years	**total**
Liabilities to banks	3,864	8,498		**12,362**
Liabilities from long-term investment loans	2	48,160	-	**48,162**
Liabilities from deliveries and services	15,241	-	-	**15,241**
Liabilities from finance leases	2,320	1,936	-	**4,256**
Advance payments received on orders	9	-	-	**9**
Other liabilities	3,250	-	-	**3,250**
- thereof from taxes	732	-	-	**732**
- of which in the context of social security	318	-	-	**318**
Total amount	**24,686**	**58,594**	**0**	**83,280**

	31.12.2020 Remaining term			
	up to 1 year	1 - 5 years	over 5 years	**total**
Liabilities to banks	7,793	3,953	-	**11,746**
Liabilities from long-term investment loans	1,000	46,733	-	**47,733**
Liabilities from deliveries and services	16,912	-	-	**16,912**
Liabilities from finance leases	2,067	4,593		**6,660**
Advance payments received on orders	76	-	-	**76**
Other liabilities	1,817	-	-	**1,817**
- thereof from taxes	535	-	-	**535**
- of which in the context of social security	289	-	-	**289**
Total amount	**29,665**	**55,279**	**0**	**84,944**

Liabilities to banks are secured by pledging bank balances, assigning trade receivables and assigning inventories as security.

6 Off-balance sheet transactions

For factoring, please refer to the comments under 4.6.

In the past financial year, the business premises in Schwanewede were sold for EUR 4.3 million as part of a sale and leaseback agreement; the business premises will continue to be used on the basis of a rental agreement.

7. Other financial obligations

	up to 1 year	1 to 5 years	> 5 years	Total
from rental agreements	720	2,096	1,708	4,524
from leasing contracts	54	38	-	92
Order commitment	5,426			5,426
Other financial obligations	**6,200**	**2,134**	**1,708**	**10,042**

8. Contingent liabilities

There are no contingent liabilities within the meaning of Section 251 HGB.

9 Notes to the income statement

9.1 Sales revenue

9.1.1 Breakdown by product group

	2021		**2020**	
	kEUR	%	kEUR	%
Compressor wheels	68,113	52%	62,167	55%
VTG	38,393	30%	22,285	20%
DVG	20,677	16%	23,622	21%
Shafts (including shafts assembled with turbine wheels)	899	1%	1,074	1%
Other sales revenue	1,310	1%	3,074	3%
	129,392	**100%**	**112,222**	**100%**

9.1.2 Breakdown by geographically defined markets

	2021		2020	
	kEUR	%	kEUR	%
Germany	8,044	6%	9,483	9%
Other EU countries	61,205	48%	53,076	47%
North America	34,874	27%	28,711	26%
South America	5,261	4%	3,752	3%
Asia	20,008	15%	17,200	15%
	129,392	**100%**	**112,222**	**100%**

9.2 Other operating income

Other operating income includes income from currency conversion differences totalling kEUR 3,138 (previous year: kEUR 5,271).

9.3 Other operating expenses

Other operating expenses include expenses from currency conversion differences totalling kEUR 3,575 (previous year: kEUR 5,223).

9.4 Taxes on income and earnings

Of the income tax expense, kEUR 783 is attributable to tax back payments due to tax audits of the German and French companies.

10. Notes to the consolidated cash flow statement

Cash and cash equivalents are included in financial resources. Liabilities to banks that are due at any time and other short-term borrowings that are part of cash and cash equivalents are also included in financial resources and openly deducted.

The financial resources fund is made up of the following components:

	31.12.2021	31.12.2020
	kEUR	kEUR
Cash	5	3
Bank balances	7,317	5,650
Cash and cash equivalents	7,322	5,653

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 Bartolic, Operations, Technology and Sales
- Dr Ralph Wagner, Finance, Accounting, Controlling, IT, Purchasing and Human Resources

The shareholders of the company have appointed an **Advisory Board (Supervisory Board)** in accordance with Section 10 of the Articles of Association. 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 Management Board is not disclosed in accordance with Section 314 (3) in conjunction with Section 286 (4) HGB.

14. Employees

Average number of employees during the financial year:

	2021 kEUR	2020 kEUR
Commercial employees	146	158
Industrial employees	709	669
	815	827

15 Group relationships

The company prepares consolidated financial statements in accordance with the accounting provisions of the German Commercial Code as at 31 December 2021, in which the company is included as the parent company. The majority shareholder as at the balance sheet date is Halder Germany II GmbH & Co.

16. Disclosure

For the following subsidiary, the disclosure exemptions of Section 264 (3) HGB was utilised: Booster Precision Components (Schwanewede) GmbH, Schwanewede

17. Total fee of the auditor

The consulting costs include expenses for the auditor totalling kEUR 105. Auditing services account for kEUR 66, other assurance services for kEUR 4 and tax consultancy services for kEUR 35. Corresponding provisions were recognised.

18. Appropriation of profit

Booster Precision Components GmbH reported an accumulated loss as at 31 December 2021. A resolution on the appropriation of the profit is therefore not required.

19 Supplementary report

Please refer to the corresponding comments in the management report under (III) Forecast 2022 and (IV.4) Risks due to the war in Ukraine. No other reportable events have occurred.

Frankfurt am Main, 24 March 2022

signed Jerko Bartolic

signed Dr Ralph Wagner

Annex 5a

Development of fixed assets

Booster Precision Components GmbH, Frankfurt am Main

		ACQUISITION AND PRODUCTION COSTS						ACCUMULATED AMORTISATION						NET BOOK VALUES	
		01.01.2021 EUR	Currency diff. EUR	Inflows EUR	Outflows EUR	Transfers EUR	31.12.2021 EUR	01.01.2021 EUR	Currency diff. EUR	Inflows EUR	Outflows EUR	Transfers EUR	31.12.2021 EUR	31.12.2021 EUR	31.12.2020 EUR
I.	**Intangible assets**														
	1. Purchased concessions, industrial property rights and similar rights and assets as well as licences to such rights and values	46,641,541.13	34,689.22	461,368.50	580,417.77	1,563,049.81	48,120,230.89	39,231,462.15	551.00	4,264,852.75	0.00	0.00	43,496,865.90	4,623,364.99	7,410,078.98
	2. Goodwill	86,726.29	0.00	0.00	0.00	0.00	86,726.29	86,726.29	0.00	0.00	0.00	0.00	86,726.29	0.00	0.00
	3. Prepayments made	1,563,049.81	0.00	0.00	0.00	-1,563,049.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,563,049.81
		48,291,317.23	34,689.22	461,368.50	580,417.77	0.00	48,206,957.18	39,318,188.44	551.00	4,264,852.75	0.00	0.00	43,583,592.19	4,623,364.99	8,973,128.79
II.	**Property, plant and equipment**														
	1. Land, land rights and buildings including buildings on land and buildings on third-party properties	16,183,909.25	140,258.15	1,323,609.07	4,756,968.66	19,868.20	12,910,676.01	3,639,442.64	73,510.67	603,791.75	876,995.81	0.00	3,439,749.25	9,470,926.76	12,544,466.61
	2. Technical equipment and machinery	69,345,141.05	1,674,777.09	3,628,448.67	392,126.99	338,502.45	74,594,742.27	39,734,926.63	607,796.36	5,805,921.19	92,767.49	0.00	46,055,876.69	28,538,865.58	29,610,214.42
	3. Other plant, operating and business equipment	7,065,117.92	244,700.57	897,200.02	492,673.66	173,374.45	7,887,719.30	4,867,946.48	124,561.35	431,188.69	254,660.67	0.00	5,169,035.85	2,718,683.45	2,197,171.44
	4. Prepayments and assets under construction	2,330,123.42	147,791.84	1,592,972.22	1,133,729.75	-531,745.10	2,405,412.63	290,051.52	0.00	0.00	290,051.52	0.00	0.00	2,405,412.63	2,040,071.90
		94,924,291.64	2,207,527.65	7,442,229.98	6,775,499.06	0.00	97,798,550.21	48,532,367.27	805,868.38	6,840,901.63	1,514,475.49	0.00	54,664,661.79	43,133,888.42	46,391,924.37
III.	**Financial assets**														
	Other financial assets	2,031.38	0.00	0.00	0.00	0.00	2,031.08	0.00	0.00	0.00	0.00	0.00	0.00	2,031.08	2,031.08
		2,031.08	0.00	0.00	0.00	0.00	2,031.08	0.00	0.00	0.00	0.00	0.00	0.00	2,031.08	2,031.08
		143,217,639.95	2,242,216.87	7,903,598.48	7,355,916.83	0.00	146,007,538.47	87,850,555.71	806,419.38	11,105,754.38	1,514,475.49	0.00	98,248,253.98	47,759,284.49	55,367,084.24

*) The values of the historical acquisition and production costs and the accumulated depreciation as at 1 January 2021 were each increased by EUR 68,488.50.

Booster Precision Components GmbH, Frankfurt am Main

GROUP MANAGEMENT REPORT
for the financial year from 1 January to 31 December 2021

(I) Foundations of the Group

(I.1) Business model of the Group

The Booster Group (hereinafter also referred to as "Booster") is an internationally operating supplier specialising in 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 primarily used in the automotive sector. Booster Precision Components GmbH, based in Frankfurt am Main, is the holding company of the Booster Group. It provides management, consulting and other services for its domestic and foreign subsidiaries.

Production takes place at five locations in four countries (one location each in China, Germany and Mexico as well as two locations in Slovakia). All Booster Group plants follow the same organisational structure in functional terms: production, quality, engineering, human resources and finance. In addition, the sales and purchasing departments are also geographically located at the aforementioned sites, but work across all sites.

The sales markets are strongly orientated towards international customers. Booster supplies customers in around 20 countries worldwide.

The product portfolio currently comprises mainly compressor wheels, components for variable turbine geometry (VTG) chargers and shafts, but is to be significantly expanded as part of a business expansion strategy. A particular strategic focus is on components for use in electrified or hydrogen-powered vehicles.

(I.2) Corporate goals

The Booster Group has set itself the specific goal of achieving above-average and profitable growth at all locations. Booster builds on three fundamental elements: safety, quality and delivery reliability. The Group's vision describes its long-term goals as follows: "An excellent specialist for high-precision machining of metal parts; leading in quality and production technology".

Booster is the world's only manufacturer of compressor wheels and VTGs with production sites in Europe, North America and China. In Schwanewede, the focus is on compressor wheels, while the activities in Belusa (Slovakia) are centred on VTGs. These production and process standards are adopted by the sites in Mexico and China.

(II) Economic report

(II.1) Macroeconomic development

According to the IfW (Kiel Economic Report 85), the global economy grew by 5.7% in the 2021 reporting period following a decline of -3.8% in the previous year. In Germany, gross domestic product (GDP) rose by just 2.6% following a decline of -4.9% in the previous year. Growth was more pronounced in 2021, particularly in China at 7.8% (previous year: 2.3%) and also in Mexico at 5.5% (previous year: -8.4%).

The global economy is expected to grow by around 4.5% in 2022, while the latest forecast for Germany is just over 3.1%. The global economy is expected to continue to grow by 4.0% in 2023.

(II.2) Development of the automotive industry

Global car production (up to 6 tonnes) rose by 2.1% in 2021 to around 76.4 million units from 74.8 million units previously (LMC, Q4 2021). Growth came primarily from the Asian market (including China), while the North American market stagnated overall and the European market even recorded a decline.

Production figures (vehicles up to 6 tonnes) In thousands of units

REGION	Country	2019	2020	2021	2022	2023	2024
Africa	Total	1.156,7	818,1	963,0	1.210,7	1.308,8	1.443,7
Asia	China	24.326,4	23.290,0	24.187,2	25.955,4	27.675,8	29.739,4
	Japan	9.197,2	7.777,2	7.119,6	7.952,4	8.806,7	9.166,4
	India	4.188,7	3.234,0	4.114,6	4.473,1	5.021,6	5.387,4
	Korea	3.909,5	3.469,4	3.432,1	3.791,3	3.898,8	4.109,3
	Rest	4.531,4	3.220,6	3.967,0	4.255,2	4.623,0	4.991,0
Asia	Total	46.153,2	40.991,2	42.820,5	46.427,3	50.025,9	53.393,5
E. Europe	Total	7.779,4	6.557,0	6.438,7	6.978,0	7.804,0	8.422,1
N. America	Canada	1.899,4	1.362,2	1.093,5	1.420,3	1.466,7	1.294,4
	Mexico	3.777,4	3.014,8	2.978,5	3.488,3	3.871,9	4.139,1
	USA	10.565,4	8.564,6	8.868,9	10.341,1	10.987,2	11.192,3
N. America	Total	16.242,2	12.941,5	12.940,9	15.249,7	16.325,7	16.625,8
S. America	Brazil	2.802,4	1.905,1	2.033,4	2.299,4	2.586,2	2.826,6
	Rest	457,2	334,7	523,3	555,7	583,1	630,1
S. America	Total	3.259,6	2.239,9	2.556,7	2.855,0	3.169,3	3.456,7
W. Europe	Germany	4.870,8	3.665,6	3.330,9	4.694,9	5.520,9	6.155,6
	Spain	2.802,2	2.244,7	2.101,4	2.482,1	2.750,9	2.894,6
	France	2.162,7	1.331,9	1.356,7	1.668,7	1.881,2	1.979,5
	UK	1.360,6	972,5	923,3	1.104,1	1.223,8	1.327,4
	Italy	921,8	755,4	770,3	993,8	1.087,9	1.153,9
	Rest	1.340,8	1.079,4	1.114,7	1.090,7	1.110,6	1.076,1
W. Europe	Total	13.458,8	10.049,6	9.597,3	12.034,4	13.575,3	14.587,0
Rest	Total	868,2	1.193,4	1.107,3	1.193,4	1.398,1	1.534,4
Total result		**88.918,0**	**74.790,6**	**76.424,4**	**85.948,4**	**93.607,0**	**99.463,1**

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

In addition to coping with the effects of the COVID-19 pandemic and the chip crisis in 2021, the automotive industry continues to face major challenges and structural changes associated with the climate crisis and climate change. The legal pressure on the automotive industry to minimise CO^2 emissions is increasing. From 2020, the average CO^2 emissions for all new registrations in the EU must not exceed 95 grams of carbon dioxide per kilometre. This corresponds to an average consumption of 3.6 litres of diesel or 4.1 litres of petrol based on the NEDC test cycle. In addition, the EU has decided that the average consumption of all new registrations must fall by 35% by 2030 compared to the average consumption of new registrations in 2020. These targets can only be achieved through a higher proportion of combustion engines with turbo assistance and a higher proportion of vehicles without combustion engines.

On the one hand, we therefore assume 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 fall. On the other hand, we expect the share of petrol engines in new registrations to increase at the expense of diesel engines.

(II.3) Technological challenge and competition

The main technological challenges in the manufacture of components for turbochargers lie in the very high demands placed on the temperature and pressure resistance of the turbocharger. A standard car engine rotates at around 2,000 revolutions per minute at medium speeds. In comparison, the rotor of a turbocharger rotates at over 280,000 revolutions per minute. To ensure tightness and performance at all times, the components must maintain shape and bearing tolerances to within micrometres, both hot and cold. At temperatures above 1,000°C, there are also very high demands on the high-temperature-resistant materials to be used and, last but not least, on the tools to be used to manufacture the components.

Booster has already successfully proven several times that it fulfils these requirements in full. In close cooperation with renowned machine and tool manufacturers, Booster is constantly improving the product properties.

As is largely the case in the automotive industry, the Booster Group's market is highly competitive despite the comparatively high barriers to entry.

(II.4) Financial performance indicators

(II.4.1) Earnings position of the Group

Sales revenue rose from EUR 112.2 million (2020) to a total of EUR 129.4 million in the financial year. The increase in sales of EUR 17.2 million (15.3%) exceeds the general trend in the automotive industry in terms of the number of units sold.

The Booster Group generated earnings before interest, taxes, depreciation and amortisation (EBITDA) of EUR 17.5 million (13.3%, EBITDA margin). In the previous year, EBITDA totalled EUR 14.0 million (12.2%, EBITDA margin). In the budget, Booster had planned EBITDA of EUR 16.2 million (14.2%, EBITDA margin).

In the financial year, the material usage ratio increased from 48.9% (2020) to 49.3% (2021).

Personnel expenses totalled EUR 28.0 million (previous year: EUR 25.4 million). The increase of EUR 2.6 million compared to the previous year is due to the increase in sales in 2021. The personnel utilisation ratio fell by 0.9% from 22.2% to 21.3%.

Other operating income totalled EUR 7.8 million (previous year: EUR 9.2 million). The decrease of EUR 1.4 million is mainly due to lower currency conversion income (EUR -2.1 million) and an increase in income from the reversal of provisions (EUR 1.0 million).

Other operating expenses totalled EUR 29.0 million (previous year: EUR 28.2 million). The increase of EUR 0.8 million is mainly due to increases in temporary staff (EUR 0.3 million), higher costs for tools and maintenance (EUR 0.3 million), energy (EUR 1.5 million) and lower expenses for currency effects (EUR -1.6 million).

At EUR -2.9 million, depreciation and amortisation of EUR 11.1 million was below the previous year's level (EUR 14.0 million).

Depreciation of property, plant and equipment totalling EUR 6.8 million is slightly below the previous year's level of EUR 7.2 million; the reduction of EUR 0.4 million is mainly due to the fact that investments were primarily made in replacement and maintenance measures. Amortisation of intangible assets fell by EUR 2.5 million from EUR 6.7 million in the previous year to EUR 4.3 million.

As in previous years, amortisation of intangible assets was negatively impacted by amortisation of hidden reserves from acquisitions in 2015 and 2016 disclosed as part of capital consolidation totalling EUR 3.9 million (previous year: EUR 6.4 million). After deducting this amortisation, which is not attributable to operating activities, earnings after taxes for 2021 amount to EUR 3.1 million (previous year: EUR 1.5 million). These intangible assets mainly result from the difference between the purchase price of the company and the equity of the acquired business on the balance sheet at the time of acquisition. They are amortised on a straight-line basis over a period of 4-15 years and are not allocated to operating activities. At the end of the financial year, these intangible assets still had a carrying amount of EUR 1.5 million.

The interest result of EUR -4.8 million improved by EUR 0.2 million compared to the previous year (EUR -5.0 million). This is primarily due to the proportionately decreasing interest share of finance leases (EUR 0.1 million) and the lower interest expense for the utilisation of current account overdraft facilities and for factoring (EUR 0.1 million).

Income taxes totalled EUR -2.7 million in the financial year (previous year: EUR 0.2 million). These mainly relate to effective taxes of the companies in the amount of EUR 1.9 million and tax back payments already made or expected for previous financial years (EUR 0.8 million). The tax charges for the current year are mainly due to the more positive tax results.

The consolidated net loss for the 2021 financial year was EUR -1.1 million (previous year: EUR -4.8 million) and is therefore in line with the budget planned for 2021.

Earnings situation	2021		2020		Deviation	
	in EUR million	Perfor-mance %	EUR million	Perfor-mance %	EUR million	in %
Sales revenue	129,392		112,222		17,170	15.3%
Changes in inventories	1,902		2,157		255	11.8%
PERFORMANCE	**131,294**		**114,379**		**16,915**	**14.8%**
Own work capitalised	411		67		344	513.4%
Other operating income	7,830		9,217		1,387	15.0%
Cost of materials	64,717	49.3%	55,981	48.9%	8,736	15.6%
Personnel expenses	28,014	21.3%	25,446	22.2%	2,568	10.1%
Other operating expenses	28,970	22.1%	28,201	24.7%	769	2.7%
Other taxes	341	0.3%	95	0.1%	246	258.9%
EBITDA	**17,493**	**13.3%**	**13,940**	**12.2%**	**3,553**	**25.5%**
Depreciation of property, plant and equipment	6,841		7,216		375	5.2%
EBITA	**10,652**	**8.1%**	**6,724**	**5.9%**	**3,928**	**58.4%**
Depreciation of intangible assets	4,265		6,734		2,469	36.7%
EBIT	**6,387**	**4.9%**	**10**	**0.0%**	**6,397**	**63,970.0%**
Financial result	4,807		4,985		178	3.6%
Taxes on income and earnings	2,674		173		2,847	1,645.7%
Net loss for the year	**1,094**	**0.8%**	**4,822**	**4.2%**	**3,728**	**77.3%**

(II.4.2) Net assets of the Group

Fixed assets account for 48.0% (previous year: 55.4%) of total assets totalling EUR 99.5 million (previous year: EUR 99.9 million).

Property, plant and equipment accounted for 43.4% (previous year: 43.2%) of the balance sheet total. Property, plant and equipment fell from EUR 46.4 million to EUR 43.1 million in the reporting year, mainly due to scheduled depreciation, which exceeded investments by EUR 2.5 million, and currency effects (EUR -0.8 million), primarily relating to the Mexican peso. Intangible assets account for 4.6% (previous year: 9.0%) of the balance sheet total.

Depreciation and amortisation (EUR 4.3 million) almost exclusively includes the scheduled amortisation of intangible assets that were capitalised as part of the company acquisitions and acquisition transactions in 2015 and 2016 (EUR 4.2 million). This is the main reason for the decrease in intangible assets to EUR 4.6 million (previous year: EUR 9.0 million).

Current assets totalled EUR 49.1 million (previous year: EUR 42.2 million). In 2021, inventories increased by EUR 1.5 million, receivables by EUR 3.8 million and bank balances by EUR 1.7 million.

The increase in inventories compared to the previous year is due to a significant rise in demand for the first quarter of 2022, as inventories were increased in the fourth quarter in particular as demand continued to rise in order to ensure delivery readiness.

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

(II.4.3) Financial position of the Group and cash flow

Equity totalled EUR 9.5 million (previous year: EUR 8.6 million). Despite the consolidated net loss for the year (EUR -1.1 million), consolidated equity increased by a total of EUR 0.9 million as a result of the development of the currency conversion adjustment (EUR 2.0 million), primarily due to the appreciation of the Mexican peso. The equity ratio improved by 0.9% to 9.5%.

Total liabilities to banks and long-term investment loans to a debt fund totalled EUR 60.5 million (previous year: EUR 59.5 million) and therefore increased slightly.

The long-term investment loans totalling EUR 48.2 million (previous year: EUR 47.7 million) were repayment-free in the financial year and are due at the end of the term. The maturity of all investment loans has been agreed for June 2023. The interest rates are also fixed until 2023. These investment loans are subject to a loan agreement linked to key figures (“Financial Covenants”). The Financial Covenants were observed as at the reporting date of 31 December 2021.

Liabilities to banks in Germany are based on working capital loans, of which EUR 0.0 million had been utilised as at the reporting date (previous year: EUR 0.7 million) and are granted until June 2022 following a contractual adjustment in March 2021. In addition, there are working capital loans and loans in Slovakia (EUR 7.3 million, previous year: EUR 7.3 million) and in China (EUR 5.0 million, previous year: EUR 3.4 million). The various loans with different terms that previously existed at a French subsidiary (EUR 0.0 million, previous year: EUR 0.3 million) ended in 2021. The existing loans in China will be extended. All loans have a fixed interest rate agreed over the term.

To additionally secure liquidity, a sale and leaseback agreement was concluded for the operating property at the Schwanewede site in March 2021.

Trade payables fell from EUR 16.9 million to EUR 15.2 million.

Liabilities from finance leases fell from EUR 6.7 million to EUR 4.3 million. The reduction of EUR 2.4 million is due to the scheduled repayments of current contracts; this was offset by newly concluded contracts and the compounding of interest.

The Booster Group generated cash flow from operating activities of EUR 9.2 million (previous year: EUR 13.8 million), which is attributable to the high EBITDA and reduced by a significant increase in working capital. Cash flow from investing activities totalled EUR -1.1 million (previous year: EUR -6.8 million); the significant decline compared to the previous year is due to the fact that the company's property in Schwanewede was sold for EUR 4.3 million in the past financial year as part of a sale and leaseback agreement. As a result, free cash flow (operating cash flow after taking into account cash outflows from investments) totalled EUR 8.1 million (previous year: EUR 7.0 million). Cash flow from financing activities totalled EUR -6.4 million (previous year: EUR -4.7 million). It mainly includes repayments of liabilities from finance leases and interest paid as well as a special payment for interest deferred in 2020 (EUR 1.0 million); cash inflows and outflows from borrowings and repayments of financial loans are almost balanced at EUR 0.1 million. Overall, the operating cash flow was used to fully finance investments in the financial year as well as repayments and interest on financial liabilities, increasing cash and cash equivalents by EUR 1.7 million at the end of the year.

(II.4.4) Investments in fixed assets

Payments for investments totalling EUR 7.7 million resulted in particular from the acquisition of property, plant and equipment (EUR 7.4 million): EUR 1.3 million was invested in land and buildings, EUR 5.3 million in machinery projects including advance payments and EUR 0.9 million in other operating equipment and machine-related tools.

(II.5) Non-financial performance indicators

(II.5.1) Employee and management development

As at 31 December 2021, the Booster Group had a total of 815 employees and 57 temporary workers (previous year: 844 own employees and 43 temporary workers).

The qualifications and motivation of our employees are fundamental prerequisites for the Booster Group's activities as a customer-oriented and performance-orientated company worldwide. Maintaining and developing this at a high level is the central task of our personnel management. Booster endeavours to offer more future-oriented qualification measures for its employees and to further intensify its efforts to develop managers.

(II.5.2) Customer satisfaction

Booster conducts annual customer surveys on quality, delivery reliability, technical advice, response time, quality level and general processing. In 2021, the high level of 92% (previous year: 92%) from the previous year was maintained. In 2021, 28% of the customers surveyed took part in the survey.

(II.5.3) Environmental protection measures

Booster sees itself as a company that lives with and from its resources and therefore bears a corresponding responsibility for all locations worldwide.

All production sites are certified to the IATF 16949 standard.

Reliability, expertise and sustainability are the guiding principles of our business activities.

Based on this, the Group pursues the following strategic goals in the area of environmental protection: We want to make a significant contribution to conserving resources and reducing the burden on the environment. We utilise resources in a way that is both economical and environmentally friendly. We demonstrate expertise in dealing with ecological issues and co-operate with the relevant regional authorities. Our activities and our image in the area of environmental protection support our core business and new products. To implement this strategy, we utilise a wide range of production and customer-oriented measures, the specific design of which is largely the responsibility of the Group companies.

(II.6) Overall statement on the 2021 financial year

The consolidated net loss for the year of EUR -1.1 million (including amortisation of intangible assets from capital consolidation of EUR 4.3 million) is close to the budgeted figure. The Booster Group therefore achieved its target in 2021 against the backdrop of the weakness in the automotive industry caused by the COVID-19 pandemic and the chip crisis. This was driven by the significant increase in sales of EUR 17.2 million.

In terms of quality, the Group has 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.

(III) Forecast 2022

In 2022, the global economy is expected to grow by around 4.5% based on the forecast of the Kiel Institute for the World Economy (IFW), with economic growth in Asia and North America significantly more dynamic than in Europe. Based on the new car registrations expected against this backdrop, the trend towards the electrification of vehicles, particularly through hybrid engines, and the resulting expected increase in the proportion of turbocharger applications, the sales department has planned the expected sales volumes and prices. This is based on existing customer nominations for projects that typically run over the longer term and, to a lesser extent, new business.

As a result, the Booster Group has budgeted sales of EUR 131 million with EBITDA of EUR 17.1 million for 2022. Earnings planning is based on the margins expected for customer projects, the personnel required for production and business operations and other operating expenses.

The management assumes that the COVID-19 pandemic will be overcome in spring 2022. This will ultimately lead to a stabilisation of the global economy, the demand situation on the automotive market and thus the Booster Group's sales revenues. On the other hand, the outbreak of war in Ukraine poses considerable risks for further development. In the short term, the price and supply risks for specific raw materials and energy take centre stage, while negative economic risks could impair development in the medium term.

The break-even point should be reached in 2022 and a moderate profit generated. Nevertheless, both the operating cash flow and the free cash flow will be clearly positive and at a slightly higher level than in 2021 after taking into account cash outflows from investments of around EUR 9 million, so that the Booster Group's debt can be reduced.

(IV) Opportunity and risk report

The success of business decisions depends largely on a reliable assessment of strategic, market-related and regulatory risks. Risks represent possible negative deviations from the planned development of the Group. The Booster Group is exposed to the following risks.

(IV.1) Internal control system and risk management

Financial risks such as liquidity, currency and interest rate risk are managed centrally by Group management.

Group management is informed of potential risks at an early stage by means of weekly and monthly reports on profitability, cash and cash equivalents, investments, current assets, customer orders and material prices and is therefore able to take countermeasures in good time.

(IV.2) Macroeconomic risk

As a globally active company, we are particularly dependent on economic and politically motivated developments in the industry itself and the automotive industry worldwide, but especially in Europe, China and North America. Our strategy is to continuously expand our market activities. We counter the risks of economic and political crises, country-specific laws or even protectionist interventions that affect trade through decentralised production in Europe, North America and China. At the same time, our plants in Europe are able to cover peaks in demand in Mexico and China with additional deliveries.

(IV.3) Coronavirus risk

The dynamics of the COVID-19 pandemic may continue to have unforeseeable effects that could have a significant negative impact on the Booster Group's business performance, meaning that the planned sales and earnings targets for 2022 may not be achieved.

(IV.4) Risks due to the war in Ukraine

The war in Ukraine is primarily leading to risks for Booster on the supply side. Booster is directly affected above all by the significant rise in energy prices, especially for electricity. Booster is countering this risk by taking immediate measures to save energy and by negotiating with customers to pass on the cost increase. The war also has a significant impact on commodity prices (e.g. nickel, aluminium) and possibly also on the future supply situation (e.g. titanium). With regard to raw material prices, Booster is largely protected by price escalation clauses in customer contracts. Booster is endeavouring to increase stockpiling in order to secure supplies.

In terms of sales, only individual smaller projects have been directly affected so far, which has not had any significant impact. However, the partial lack of component supply in the automotive industry (including cable harnesses) could subsequently have an impact on other projects. The impact of the war on the further development of the global economy represents a potentially significant risk that cannot yet be assessed.

(IV.5) Sector and company risk

In the automotive supply industry, there are volume and price risks in particular. These can lead to fluctuating sales due to delays in individual call-offs on the part of the customer.

We respond to such risks by consistently expanding our markets, acquiring new customers, entering new regions, innovative and continuously improving production technologies and strict cost management.

Future business development largely depends on the level of global sales of passenger cars and commercial vehicles with combustion engines. The industry service provider IHS is not forecasting a recovery in sales figures to around 88 million units (light vehicles) until 2023, which corresponds to the 2019 baseline. For China, on the other hand, the 2019 sales figures are expected to be reached as early as 2022.

The market for exhaust gas turbochargers, on the other hand, will develop better than the passenger car market, as the proportion of combustion engines without turbochargers is greater in China – the world's largest car market – than in Europe.

As an automotive supplier, Booster is also exposed to the usual industry risks, which have been exacerbated by the COVID-19 pandemic.

(IV.6) Financing risk

In addition to current account liabilities, finance leases and factoring, medium-term investment loans to the debt fund are key sources of financing for the Booster Group. A significant decline in cash surpluses from operating activities could, on the one hand, jeopardise the required interest and redemption payments and compliance with the agreed financial covenants. On the other hand, it would not be possible to realise necessary investments to a sufficient extent.

The COVID-19 pandemic has made access to funding much more difficult for the Booster Group.

In our opinion, the Booster Group nevertheless has sufficient liquidity reserves until 2023, taking into account the financing measures described in “Financial situation of the Group and Cashflow”.

In order to fulfil the long-term interest and repayment obligations, a sales level of around EUR 120 million with an EBITDA of around EUR 16 million is required in 2022 and 2023.

(IV.7) Foreign currency risk

Our internationally orientated business activities and our locations in Mexico and China make it necessary to conduct business in foreign currencies. Exchange rate fluctuations against the euro can have a negative impact on sales, costs and ultimately earnings.

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

The Booster Group's net foreign currency risk (exposure) (surplus of incoming payments in foreign currency over outgoing payments in foreign currency) amounts to EUR 25.9 million for the USD and around EUR 8.1 million for the Chinese RMB in 2022. The reason for this is that the majority of income in USD and RMB is offset by corresponding cost items in the same currency (natural hedge).

The net risk exposure is continuously monitored by the Executive Board.

(IV.8) Financial instruments

The Booster Group has not currently concluded any (derivative) financial instruments to hedge foreign currency risks (net risk exposure) or to hedge interest rate or currency risks.

(IV.9) IT risks

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

To avert potential risks, the Booster Group has set up specific IT security solutions in collaboration with various service providers to protect data and the IT infrastructure from failure, loss and unauthorised access. In addition, investments are being made in modern information technology that will further stabilise the Group's processes.

(IV.10) Performance risks

Due to the large number of machine tools, there is no risk that the failure of individual machines will lead to production bottlenecks. Due to the accumulation of systems in a very confined space, there is a risk that a fire could cause the entire machine park at one location to fail.

Due to the COVID-19 pandemic, there were temporary delivery problems for some supplier components in the 2021 financial year, which have been resolved. Should the crisis worsen again, isolated temporary bottlenecks cannot be ruled out. This risk is countered through targeted stockpiling and expansion of the supplier base.

(IV.11) Total risk exposure

In our view, the COVID-19 pandemic continues to harbour a risk to the achievement of sales and return targets that is difficult to assess. However, we do not expect the COVID-19 pandemic to have a lasting negative impact on the Booster Group's performance beyond 2021. This assumption is also supported by the fact that the economic situation has improved significantly since mid-2021 and an end to the pandemic is foreseeable thanks to the measures introduced by governments to vaccinate the global population.

The purchasing organisation for raw material procurement has been centralised within the Booster Group, meaning that significant savings potential has already been realised. Price escalation clauses have been agreed with customers for the majority of raw materials used, so that increases or reductions in procurement prices are offset by adjustments to sales prices.

All other operational and strategic risks are identified, analysed and evaluated at an early stage so that they can be controlled by the Group management with appropriate risk management measures.

(IV.12) Possibilities and opportunities

The market volume for turbochargers is essentially determined by the following three factors:

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

Over the next five years, the management anticipates a moderate increase in the market volume for exhaust gas turbochargers. The decline in the 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.

Accordingly, the Booster Group was able to secure a significant number of new orders, which will enable further growth.

In addition, as part of the strategic realignment, new business areas within and outside the automotive market have been identified that will open up significant growth prospects in the coming years.

Frankfurt am Main, 24 March 2022

signed Jerko Bartolic

signed Dr Ralph Wagner

OPINION OF THE INDEPENDENT AUDITOR

To Booster Precision Components GmbH, Frankfurt am Main

Audit opinions

We have audited the consolidated financial statements of Booster Precision Components GmbH, Frankfurt am Main, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2021, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the financial year from 1 January to 31 December 2021, and notes to the consolidated financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the group management report of Booster Precision Components GmbH, Frankfurt am Main, for the financial year from 1 January to 31 December 2021.

In our opinion, based on the findings of our audit

- the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2021 and of its financial performance for the financial year from 1 January to 31 December 2021 in compliance with German Legally Required Accounting Principles, and
- the accompanying Group management report as a whole provides a suitable view of the Group's position. In all material respects, this Group management report is consistent with the consolidated financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development.

Pursuant to section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the audit judgements

We conducted our audit of the consolidated financial statements and of the group management report in accordance with section 317 HGB and generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the Group companies in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Management's Responsibility for the Consolidated Financial Statements and the Group Management Report

Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the requirements of German commercial law, and that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. Furthermore, they are responsible for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there are factual or legal circumstances to the contrary.

Furthermore, management is responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The Advisory Board (Supervisory Board) is responsible for overseeing the company's financial reporting process for the preparation of the consolidated financial statements and the Group management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this Group management report.

The website of the Institute of Public Auditors in Germany (IDW) contains the following information

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

a further description of the auditor's responsibilities for the audit of the consolidated financial statements and of the group management report. This description forms part of our auditor's report.

Osnabrück, 25 March 2022

Dr Klein, Dr Mönstermann + Partner GmbH
Auditing firm
Tax consultancy firm

[signature]	[signature]
Dunkel	Dr Joswig
Auditor	Auditor

Disclaimer: The translations are provided for informational purposes only and should not be relied upon as an official or legally binding translation. Only the original of the audit opinion (for the German consolidated financial statements and group management report) in German language is legally binding. The author and publisher of these translations are not responsible for any errors or inaccuracies in the translated text or any consequences that may arise from the use of these translations.

General Terms and Conditions of Contract

for

Auditors and auditing companies

from 1 January 2017

1. Scope of application

(1) The Engagement Terms apply to contracts between German Public Auditors or audit firms (hereinafter collectively referred to as "German Public Auditors") and their clients for audits, tax advice, advice on commercial matters and other engagements, unless otherwise expressly agreed in writing or required by law.

(2) Third parties may only derive claims from the contract between the German Public Auditor and the client if this has been expressly agreed or results from mandatory statutory provisions. With regard to such claims, these engagement terms also apply to these third parties.

2. Scope and execution of the order

(1) The object of the contract is the agreed service, not a specific commercial outcome. The engagement is carried out in accordance with the principles of proper professional practice. The German Public Auditor does not assume any management tasks in connection with his services. The German Public Auditor is not responsible for the utilisation or implementation of the results of his services. The German Public Auditor is authorised to use the services of experts to carry out the engagement.

(2) The consideration of foreign law requires - except in the case of business audits - an express written agreement.

(3) If the factual or legal situation changes after the final professional statement has been issued, the German Public Auditor is not obliged to draw the client's attention to the changes or the resulting consequences.

3. Obligations of the client to co-operate

(1) The client must ensure that all documents and other information necessary for the performance of the engagement are provided to the German Public Auditor in a timely manner and that the German Public Auditor is made aware of all processes and circumstances that are relevant to the performance of the engagement. This also applies to documents and other information, processes and circumstances that only become known during the work of the German Public Auditor. The client shall nominate suitable persons to provide information to the German Public Auditor.

(2) At the auditor's request, the client must confirm the completeness of the documents submitted and the other information as well as the information and explanations provided in a written declaration formulated by the auditor.

4. Ensuring independence

(1) The client must refrain from doing anything that jeopardises the independence of the auditor’s employees. For the duration of the engagement, this applies in particular to offers of employment or the assumption of board functions and to offers to accept engagements for the client's own account.

(2) Should the performance of the engagement impair the independence of the German Public Auditor, his affiliated companies, his network companies or such companies associated with him, to which the independence regulations apply in the same way as to the German Public Auditor, in other engagement relationships, the German Public Auditor is entitled to extraordinary cancellation of the engagement.

5. Reporting and verbal information

Insofar as the German Public Auditor is required to present results in writing in the course of the engagement, this written presentation alone is authoritative. Drafts of written presentations are non-binding. Unless otherwise agreed, oral statements and information provided by the German Public Auditor are only binding if they are confirmed in writing. Statements and information provided by the German Public Auditor outside the scope of the engagement are always non-binding.

6. Disclosure of a professional statement of the auditor

(1) The disclosure of the German Public Auditor's professional statements (work results or extracts of work results - whether in draft or final form) or information about the German Public Auditor's work for the client to a third party requires the German Public Auditor's written consent, unless the client is obliged to disclose or provide information on the basis of a law or an official order.

(2) The use of the German Public Auditor's professional statements and information about the German Public Auditor's work for the client for advertising purposes by the client is not permitted.

7. Rectification of defects

(1) In the event of any defects, the client is entitled to subsequent fulfilment by the Wirtschaftsprüfer. Only in the event of failure, omission or unjustified refusal, unreasonableness or impossibility of subsequent fulfilment may he reduce the remuneration or withdraw from the contract; if the engagement has not been placed by a consumer, the client may only withdraw from the contract due to a defect if the service rendered is of no interest to him due to failure, omission, unreasonableness or impossibility of subsequent fulfilment. Insofar as claims for damages exist beyond this, No. 9 shall apply.

(2) The claim for rectification of defects must be asserted by the client immediately in text form. Claims pursuant to para. 1 that are not based on an intentional act shall become time-barred one year after the start of the statutory limitation period.

(3) Obvious inaccuracies, such as typographical errors, calculation errors and formal deficiencies contained in a professional statement (report, expert opinion and the like) of the German Public Auditor may be corrected by the German Public Auditor at any time, also vis-à-vis third parties. Inaccuracies that are likely to call into question the results contained in the German Public Auditor's professional statement entitle the German Public Auditor to withdraw the statement, also vis-à-vis third parties. In the aforementioned cases, the client must be heard by the German Public Auditor in advance if possible.

8 Duty of confidentiality towards third parties, data protection

(1) In accordance with the law (Section 323 (1) HGB, Section 43 WPO, Section 203 StGB), the auditor is obliged to maintain confidentiality about facts and circumstances that are entrusted to him or become known to him in the course of his professional activities, unless the client releases him from this duty of confidentiality.

(2) When processing personal data, the auditor will comply with national and European data protection regulations.

9. Liability

(1) For legally prescribed services of the auditor, in particular audits, the applicable statutory limitations of liability apply, in particular the limitation of liability under Section 323 (2) HGB.

(2) If neither a statutory limitation of liability applies nor an individual contractual limitation of liability exists, the auditor's liability for claims for damages of any kind, with the exception of damages resulting from injury to life, limb and health, as well as damages that give rise to a manufacturer's obligation to pay compensation in accordance with Section 1 ProdHaftG, is limited to € 4 million in the event of negligently caused individual damages in accordance with Section 54a (1) No. 2 WPO.

(3) The German Public Auditor is also entitled to defences and objections arising from the contractual relationship with the client vis-à-vis third parties.

(4) If several claimants derive claims from the contractual relationship with the German Public Auditor from a negligent breach of duty by the German Public Auditor, the maximum amount specified in para. 2 applies to the respective claims of all claimants in total.

(5) A single case of damage within the meaning of para. 2 is also given with regard to a uniform damage resulting from several breaches of duty. The individual case of damage includes all consequences of a breach of duty irrespective of whether damage occurred in one or several consecutive years. Multiple acts or omissions based on the same or similar source of error are deemed to be a single breach of duty if the matters concerned are legally or economically connected. In this case, the auditor can only be held liable up to an amount of € 5 million. The limitation to five times the minimum sum insured does not apply to statutory audits.

(6) A claim for damages shall lapse if no action is brought within six months of the written refusal of compensation and the client has been informed of this consequence. This shall not apply to claims for damages which are attributable to wilful conduct or in the event of culpable injury to life, limb or health or in the event of damage which gives rise to a manufacturer's obligation to pay compensation in accordance with Section 1 of the German Product Liability Act (ProdHaftG). The right to assert the defence of the statute of limitations remains unaffected.

10 Supplementary provisions for audit engagements

(1) If the client subsequently amends the financial statements or management report audited by the auditor and provided with an auditor's report, it may not continue to use this auditor's report.

If the auditor has not issued an audit opinion, a reference to the audit carried out by the auditor in the management report or in another place intended for the public is only permissible with the written consent of the auditor and with the wording authorised by the auditor.

(2) If the auditor revokes the audit opinion, the audit opinion may no longer be used. If the client has already used the auditor's report, it must disclose the revocation at the auditor's request.

(3) The client is entitled to five copies of the report. Additional copies will be invoiced separately.

11 Supplementary provisions for assistance in tax matters

(1) The German Public Auditor is authorised, both when advising on individual tax issues and in the case of ongoing advice, to assume that the facts stated by the client, in particular figures, are correct and complete; this also applies to accounting engagements. However, he must point out to the client any inaccuracies he discovers.

(2) The tax consulting engagement does not include the actions required to meet deadlines, unless the German Public Auditor has expressly accepted the engagement for this purpose. In this case, the client must provide the German Public Auditor with all documents essential for meeting deadlines, in particular tax assessment notices, in good time to allow the German Public Auditor a reasonable amount of processing time.

(3) In the absence of a written agreement to the contrary, ongoing tax advice shall include the following activities falling within the term of the contract:

a) Preparation of annual tax returns for income tax, corporation tax and trade tax as well as wealth tax returns based on the annual financial statements to be submitted by the client and other statements and evidence required for taxation purposes

b) Review of tax assessments for the taxes mentioned under a)

c) Negotiations with the tax authorities in connection with the declarations and notices mentioned under a) and b)

d) Participation in tax audits and evaluation of the results of tax audits with regard to the taxes mentioned under a)

e) Participation in objection and appeal proceedings with regard to the taxes mentioned under a).

In performing the aforementioned tasks, the auditor takes into account the main published case law and administrative opinions.

(4) If the German Public Auditor receives a flat fee for ongoing tax advice, the activities mentioned in paragraph 3 letters d) and e) are to be remunerated separately unless otherwise agreed in writing.

(5) If the auditor is also a tax advisor and the Tax Advisor Remuneration Ordinance (Steuerberatervergütungsverordnung) is applicable for the assessment of the remuneration, a higher or lower remuneration than the statutory remuneration can be agreed in text form.

(6) The processing of special individual questions of income tax, corporation tax, trade tax, standardised valuation and property tax as well as all questions of value added tax, wage tax, other taxes and duties is carried out on the basis of a special mandate. This also applies to

a) the processing of one-off tax matters, e.g. in the area of inheritance tax, capital transfer tax, real estate transfer tax,

b) Participation and representation in proceedings before the courts of finance and administrative jurisdiction as well as in criminal tax matters,

c) the provision of advice and expert opinions in connection with reorganisations, capital increases and reductions, restructuring, entry and exit of a shareholder, sale of a business, liquidation and the like, and

d) Support in the fulfilment of reporting and documentation obligations.

(7) Insofar as the preparation of the annual VAT return is also undertaken as an additional activity, this does not include the review of any special accounting requirements or the question of whether all possible VAT benefits have been utilised. No guarantee is given for the complete recording of the documents for the assertion of the input tax deduction.

12. Electronic communication

Communication between the German Public Auditor and the client may also take place by e-mail. If the client does not wish to communicate by e-mail or has special security requirements, such as the encryption of e-mails, the client shall inform the German Public Auditor accordingly in text form.

13. remuneration

(1) In addition to his fee claim, the German Public Auditor is entitled to reimbursement of his expenses; VAT is charged additionally. The German Public Auditor may demand reasonable advances on remuneration and reimbursement of expenses and make the delivery of his services dependent on the full satisfaction of his claims. Several clients shall be jointly and severally liable.

(2) If the client is not a consumer, offsetting against the auditor’s claims for remuneration and reimbursement of expenses is only permitted with undisputed or legally established claims.

14. Dispute resolution

The auditor is not prepared to participate in dispute resolution proceedings before a consumer arbitration board within the meaning of Section 2 of the German Consumer Dispute Resolution Act (Verbraucherstreitbeilegungs-gesetz).

15 Applicable law

Only German law shall apply to the order, its execution and the claims arising from it.