FINANCIAL GROUP REPORT Q1 2025 (UNAUDITED)

Booster Precision Components GmbH

Group Financial Report January to March 2025

Registered Office:
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Germany

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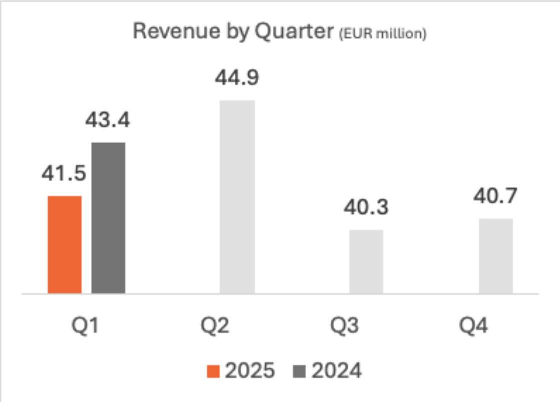

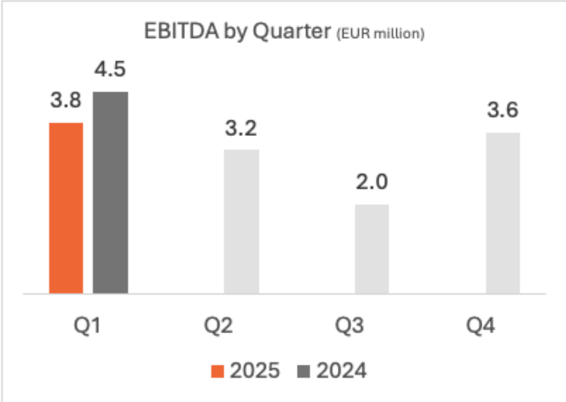

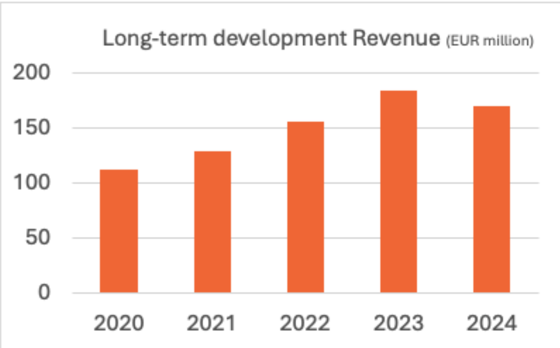

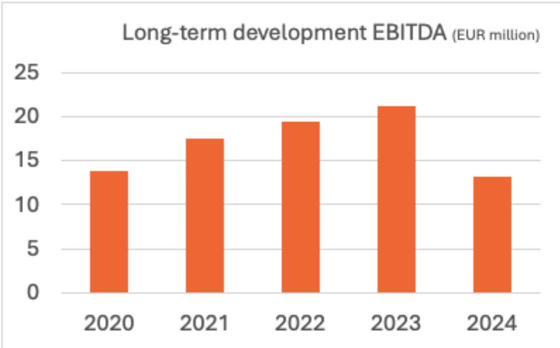

Content

Management Comments

General Information

The Booster Group (hereinafter also referred to as "Booster") is an international supplier focusing on the production and distribution of highly precise metal parts. The Booster Group comprises nine companies in five countries. The Booster Group's activities currently focus on components for turbochargers, which are predominantly used in the automotive sector – in both combustion and hybrid engines. As part of Booster's growth strategy, the product portfolio has been expanded to include components for use in electrified and hydrogen-powered vehicles as well as for industrial applications with a positive impact on efficiency and sustainability.

Booster Precision Components GmbH, based in Frankfurt am Main, is the holding company of the Booster Group. The company provides management, advisory and other services for its domestic and foreign subsidiaries. Production takes place at five locations in four countries (one each in China, Germany and Mexico as well as two locations in Slovakia). All plants of the Booster Group follow the same functional organizational structure: production, quality, engineering, human resources and finance. While sales and purchasing are also geographically located at the above-mentioned sites, they operate across all locations.

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

The product portfolio currently offered mainly comprises compressor wheels, components for variable turbine geometry (VTG) chargers and shafts but will be expanded noticeably in accordance with the expansion strategy, with E-Mobility, Fuel Cell and Industry products successively being added.

BOOSTER is the only manufacturer of compressor wheels and VTGs worldwide with production sites in Europe, North America, and China. The plant in Schwanewede (Lower Saxony) places a special focus on compressor wheels, whereas the Beluša (Slovakia) plant focuses on VTGs. Their production and process standards have been adopted by the sites in Mexico and China.

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

Macroeconomic Conditions and Development of the Automotive Sector

After several years of extraordinary external shocks, ranging from the pandemic to geopolitical tensions and energy crises, the global economy stabilized in 2024. However, the intensification of protectionist measures, particularly the introduction of extensive US tariffs, has increased global risks significantly in 2025. Consequently, the International Monetary Fund (IMF) is projecting a notable slowdown in **global economic growth**, with an expected figure of 2.8% for 2025 (compared to 3.3% in 2024). Increased trade policy uncertainty, subdued investment activity, and cautious consumer spending are expected to have a significant negative impact on the global economy. Although global inflation is expected to fall further to 4.3% (in 2024 it was 5.7%), it will still be above the long-term average.

A moderate increase in gross domestic product (GDP) of 0.8% is forecasted for the **Euro Area** (2024: 0.9%). The IMF identifies the newly imposed US tariffs as the main driver of increased uncertainty. In **Germany**, economic output is expected to stagnate (2024: -0.2%).

In the **USA**, economic growth is projected to slow to 1.8% (2024: 2.8%) as new tariffs and the resulting uncertainty reduce private consumption. Meanwhile, the economy in **China** is expected to grow by 4.0% in 2025 (compared to 5.0% in 2024). Despite fiscal support measures, growth potential remains limited due to structural challenges, particularly in the real estate sector (IMF: World Economic Outlook, April 2025).

According to the latest status report from the German Association of the Automotive Industry (VDA), the international passenger car market saw moderate growth overall in the first quarter of 2025, with significant regional differences.

Around 3.4 million new vehicles were registered in **Europe (EU, EFTA & UK)** – a slight decline of 0.4% compared to the same quarter of the previous year. While markets such as Spain, the United Kingdom and Italy recorded significant growth momentum, the downward trend in **Germany** continued. As a result, new registrations fell by 4.3% year-on-year to around 0.7 million units.

The markets in the USA and China developed much more dynamically. In the **USA**, sales of light vehicles (passenger cars and light trucks) rose by 4.8% to around 3.9 million units. In **China**, passenger car sales even grew by 6.4%, reaching around 5.1 million vehicles (VDA Status Report: Development of International Automotive Markets, April 2025).

Earnings Position of the Group

Q1 2025

In the first quarter of 2025, revenues declined by 4.4% year-on-year to EUR 41.5 million (Q1 2024: EUR 43.4 million).

Other income remained mostly stable, decreasing slightly from EUR 0.44 million to EUR 0.41 million. This development was primarily due to a lower positive currency effect of EUR 0.2 million (Q1 2024: EUR 0.4 million), accompanied by one-off income related to the taxation of non-cash employee benefits.

Employee benefits costs amounted to EUR 9.5 million, compared to EUR 10.0 million in the same period of the previous year. Despite this decline, the employee cost ratio in relation to output increased by 1.0 percentage points to 23.2% (Q1 2024: 22.2%).

Other operating expenses (OPEX) fell by EUR 0.6 million to EUR 6.6 million (Q1 2024: EUR 7.1 million), resulting in an OPEX ratio increase of 0.2 percentage points to 16.0%.

EBITDA declined to EUR 3.8 million (Q1 2024: EUR 4.5 million), with the EBITDA margin falling from 10.0% to 9.2%.

Earnings before interest and taxes (EBIT) amounted to EUR 1.4 million in the reporting period, compared to EUR 2.5 million in Q1 2024.

The Group recorded a net loss of EUR 0.5 million, compared to a loss of EUR 0.3 million in the prior-year quarter.

Balance Sheet

As of 31 March 2025, the BOOSTER Group's total assets amounted to EUR 101.2 million, representing a decrease of EUR 7.7 million compared to EUR 108.9 million as of the previous year-end.

Fixed assets declined by 4.2% to EUR 40.2 million (31 December 2024: EUR 42.0 million), while current assets decreased by 9.5% to EUR 60.0 million compared to EUR 66.3 million in the prior year. The decline in inventories as well as receivables and other assets in the first quarter of 2025 primarily reflects the lower sales revenues as well as the efforts aimed at optimizing working capital. The decrease in cash and cash equivalents from EUR 13.6 million to EUR 8.7 million was affected by increased interest payments of EUR -1.8 million as well as higher repayments of financial loans totaling EUR -4.5 million.

Equity capital was considerably affected by the first quarter's net loss, which led to a decline by EUR 1.3 million to EUR 6.8 million. Accordingly, the equity ratio decreased by 0.7 percentage points to 6.8%.

Provisions went up from EUR 6.3 million at year-end 2024 to EUR 7.0 million as of 31 March 2025, driven by an increase in tax provisions (EUR 0.2 million) and other provisions (EUR 0.5 million).

Liabilities decreased by EUR 7.2 million to a total value of EUR 87.0 million compared to year-end 2024. Liabilities to banks declined by EUR 4.5 million, while the bonds went down by EUR 2.5 million as scheduled to EUR 44.0 million.

The financial indebtedness as of 31 March 2025 as defined in the bond terms amounts to EUR 58.5 million and the net interest-bearing debt to EUR 49.8 million. Considering LTM-Adjusted-EBITDA of EUR 14.6 million the leverage is 3.4, which is below the maintenance covenant of 3.5.

Cash Flow Statement

In the first quarter of 2025, cash flow from operating activities improved significantly to EUR 4.4 million (Q1 2024: EUR 1.9 million), which was mainly driven by the disciplined working capital optimization efforts.

Cash flow from investing activities improved to EUR -0.04 million, compared to EUR -1.0 million in the prior-year period. This development was primarily driven by lower capital expenditures, as the company had sufficient production capacity in place.

Total Cash flow from financing activities was clearly negative at EUR -9.3 million in the first quarter of 2025 (Q1 2024: EUR -5.7 million). The main drivers were increased interest payments of EUR -1.8 million (Q1 2024: EUR -1.5 million) and higher repayments of financial loans totaling EUR -4.5 million (Q1 2024: EUR -1.1 million). Both periods reflect bond repayments of EUR -2.5 million.

Opportunity and Risk Report

To a large extent, the success of business decisions depends on a reliable assessment and management of strategic, market-related and regulatory risks and opportunities. Risks represent possible negative deviations from the planned development of the Group, against which the Booster Group must protect itself.

The Booster Group's risk situation was described comprehensively in the Group management report as of 31 December 2024. The risks were identified and explained in detail. From the management's point of view, there are currently no further risks or opportunities, which go beyond the aspects presented in the Group management report as of 31 December 2024.

The sector risks is currently arising from the economic environment: It has materialized due to the global decline in car production figures.

The opportunity and risk report was updated as part of the preparation of the audited Group Annual Report 2024, which was published on 30 April 2025.

Outlook

Considering the current business development, BOOSTER's management assumes that demand will stabilize and that the cost reduction measures initiated last year will continue to have an impact, while the company is intensifying its sales activities to further support revenue growth. The management expects sales revenues to remain stable at the prior year level (2024: EUR 169.3 million) and EBITDA to increase by approximately 20% in 2025 (2024 EBITDA: EUR 13.3 million).

Group Profit and Loss Statement, January to March (Q1) 2025

	Q1 2025		Q1 2024		Deviation	
	in kEUR	% of output	in kEUR	% of output	in kEUR	% change
	(unaudited)		(unaudited)		Deviation	
Revenue (Net sales)	41,480		43,401		(1,921)	(4.4)
Changes in self-produced goods	(424)		1,785		(2,209)	(123.7)
Output	**41,057**		**45,186**		**(4,129)**	**(9.1)**
Self-produced and capitalised assets	152	0.4	-	0.0	152	
Other income	409	1.0	441	1.0	(32)	(7.2)
thereof - Income from FX-Effect	*212*		*423*		*(210)*	*(49.8)*
Raw material, consumables and services	(21,722)	(52.9)	(23,921)	(52.9)	2,199	(9.2)
Employee benefits cost	(9,536)	(23.2)	(10,046)	(22.2)	511	(5.1)
Other operating expenses (OPEX)	(6,556)	(16.0)	(7,129)	(15.8)	573	(8.0)
thereof - Expense from FX-Effect	*(426)*		*(415)*		*(11)*	*2.5*
Other taxes	(37)	(0.1)	(27)	(0.1)	(10)	38.5
EBITDA	**3,768**	**9.2**	**4,503**	**10.0**	**(736)**	**(16.3)**
Depreciation on tangible assets	(2,020)	(4.9)	(1,833)	(4.1)	(187)	10.2
EBITA	**1,748**	**4.3**	**2,670**	**5.9**	**(923)**	**(34.6)**
Amortisation on intangible assets	(337)	(0.8)	(218)	(0.5)	(119)	54.8
Operating Income (EBIT)	**1,410**	**3.4**	**2,452**	**5.4**	**(1,042)**	**(42.5)**
Financial result	(1,443)	(3.5)	(1,972)	(4.4)	529	(26.8)
Taxes on income	(494)	(1.2)	(809)	(1.8)	315	(38.9)
Net profit	**(526)**	**(1.3)**	**(329)**	**(0.7)**	**(198)**	**60.2**

Group Balance Sheet I

ASSETS (in kEUR)	03-31-2025 (unaudited)	12-31-2024 (audited)
A. Fixed Assets	**40,224**	**41,969**
I. Intangible assets	**5,192**	**5,155**
II. Tangible assets	**34,631**	**36,812**
Land and buildings	1,975	2,091
Technical equipment and machinery	31,323	31,789
Other equipment	1,232	2,785
CIP and prepayments of fixed assets	102	147
III. Financial assets	**401**	**2**
B. Current assets	**59,992**	**66,303**
I. Inventories	**25,803**	**25,023**
II. Receivables and other assets	**25,470**	**27,675**
Trade accounts receivable	25,534	26,640
Liabilities of Factoring Off-Balance	(8,375)	(6,296)
Receivables of Factoring	3,312	2,420
Prepayments on taxes on income	132	113
Other accounts receivable and assets	4,869	4,797
III. Cash and cash equivalents	**8,719**	**13,605**
C. Deferred expenses	**678**	**352**
D. Deferred tax assets	**287**	**295**
	101,182	**108,918**

Group Balance Sheet II

EQUITY and LIABILITIES (in kEUR)	03-31-2025 (unaudited)	12-31-2024 (audited)
A. Equity capital	**6,840**	**8,117**
I. Subscribed Capital	39	39
II. Capital reserves	74,206	73,666
III. Equity differences from exchange rates	(998)	(280)
IV. Income reserves	3,888	-
V. Balance sheet profit/loss	(70,295)	(65,308)
B. Provisions	**7,034**	**6,254**
Provisions for taxes	3,924	3,687
Other provisions	3,110	2,567
C. Liabilities	**86,958**	**94,195**
I. Bonds	44,000	46,500
Senior secured bonds	44,000	46,500
II. Liabilities to banks	8,310	12,767
Bank Loans	5,954	9,010
Accrued interests on bank loans	1	1
Current account overdraft	2,355	3,756
III. Trade accounts payable	32,008	32,581
Trade accounts payable	25,842	26,100
Trade accounts payable -Fin. Lease	6,166	6,481
IV. Other liabilities	2,639	2,347
Social security liabilities	472	307
Tax liabilities	723	550
Other liabilities	1,445	1,490
D. Deferred income	**0**	**-**
E. Deferred tax liabilities	**350**	**351**
	101,182	**108,918**

Group Cash Flow Statement, Q1 2025

Cash flow Statement (in kEUR)	Q1 2025 (unaudited)	Q1 2024 (unaudited)
Net result for the period (consolidated net income/net loss including minority interests)	(526)	(329)
Depreciation, amortisation and write-downs of non-current assets	2,357	2,051
Increase/decrease of provisions	780	1,332
Other non-cash income/expenses	(326)	(66)
Increase/decrease in inventories, trade account receivables and other assets not attributable to investing or financing activities	1,443	(3,688)
Increase/decrease in trade account payables and other liabilities not attributable to investing or financing activities	(108)	360
Profit/loss on disposal of non-current assets	(25)	-
Interest expenses/interest income	1,443	2,159
Income tax expenses	-	809
Income tax payments	161	(723)
Effect of exchange rate movements on balance sheet items	(751)	(55)
Cash flow from operating activities	**4,448**	**1,850**
Cash outflows for investments in intangible assets	(375)	(337)
Proceeds from disposal of tangible fixed assets	84	-
Cash outflows for investments in tangible fixed assets	102	(757)
Cash outflows for investments in financial assets	1	-
Interest received	-	117
Cash flow from investing activities	**(43)**	**(977)**
Proceeds from the issuance and repayments of Bonds	(2,531)	(2,500)
Proceeds from the raising and repayments of financial loans	(4,457)	(1,070)
Outgoing payments related to financial lease	(460)	(611)
Interest paid	(1,843)	(1,527)
Cash flow from financing activities	**(9,291)**	**(5,709)**
Cash relevant changes of cash funds	**(4,886)**	**(4,836)**
Cash funds at the beginning of period	13,605	11,172
Cash funds at the end of period	**8,719**	**6,336**