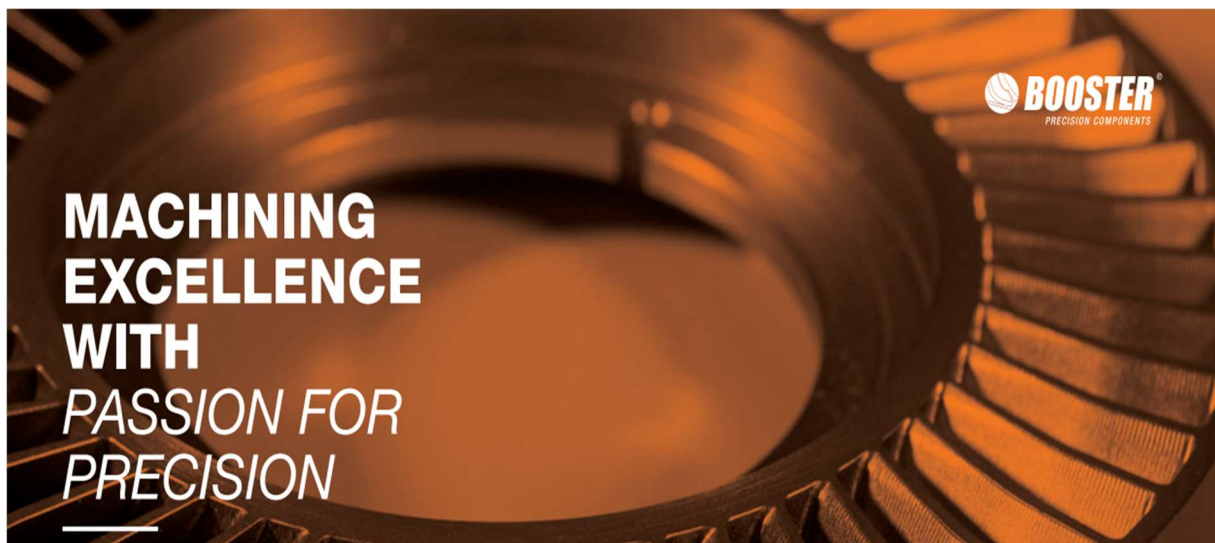




FINANCIAL GROUP REPORT 2022 (UNAUDITED)



Booster Precision Components GmbH

31st of December 2022

Registered Office:
Bockenheimer Landstraße 93
60325 Frankfurt
Germany

Booster Precision Components GmbH
Financial Report
for the year from 1st of January to 31st of December 2022

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Management Comments

General Information

The Booster Group (hereinafter also referred to as "Booster") is an international supplier focused on the production and distribution of highly precise metal parts. The Booster Group comprises nine companies in five countries. The Booster Group's activities currently focus on components for turbochargers, which are primarily used in the automotive sector. Booster Precision Components GmbH, based in Frankfurt am Main, is the holding company of the Booster Group. It provides management, consulting and services for its domestic and foreign subsidiaries.

Production takes place at five locations in four countries (one each in China, Germany, Mexico and two locations in Slovakia). All plants of the Booster Group follow the same functional organizational structure: production, quality, engineering, human resources and finance. In addition, there are the sales and purchasing departments, which are also geographically located at the above-mentioned sites, but work across different locations.

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

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

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

Profit and Loss Statement

Q4 Highlights

The fourth quarter of 2022 was exceptionally strong and closed with 41,3 Mio. € sales, which was 41% higher than one year ago. EBITDA decreased by 16% down to 3,5 Mio. This was driven mainly by the cost of the successful refinancing in the amount of 1,6 Mio. €. Adjusted for this cost, EBITDA was 5,1 Mio. €, 24% higher than Q4 2021, despite a significant increase in energy cost.

Q4 Key Figures in k €	2022	2021
Sales	41.251	29.311
EBITDA	3.470	4.115

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Total Year

The demand for Booster products in the year 2022 was very strong, despite the headwinds in the automotive market due to the war in Ukraine. The sales for the total year 2022 increased by 21% compared to 2021 and reached a level of 156,2 Mio. €. This was by far the highest sales that the Booster group has achieved since the formation of the group in the year 2016.

The gross margin reached 87,5 Mio. €, which is 22% higher than 2021. Material cost increases could be passed on to the customers, based on existing contractual agreements. Employee benefit cost increased in line with the higher sales level to 33,7 Mio. €, while operating expenses were rising over proportionally by 33% to 33,9 Mio. €. The main driver for the additional operating expenses on top of volume driven increases were the higher electricity prices, which could partially be compensated by energy saving efforts and customer reimbursements. The operating expenses contain also significant consulting cost for the refinancing.

EBITDA was 19,3 Mio. € in 2022, up by 11% compared to 2021. This increase of EBITDA in combination with significantly lower amortization resulted in substantially higher earnings before interest and taxes (EBIT) of 10,6 Mio. € in 2022, which is 4,2 Mio. € or 66% more than 2021.

Taking into account only slightly increased interest cost the profit before taxes more than tripled to 5,5 Mio. €. Group net income reached 1,5 Mio. €.

Balance Sheet

The fixed assets decreased from 48,2 Mio. € to 41,1 Mio. €, driven by the sale and lease transaction for the factory building in Belusa (Slovakia). Current Assets increased from 49,1 Mio. € to 65,9 Mio. €, driven by a higher volume of stocks and receivables (in total +10,1 Mio. €) resulting out of the significantly higher sales volume and almost doubled cash, which went up from 7,3 Mio. € to 14,2 Mio. €.

Total assets increased from 99,9 Mio. € to 107,7 Mio. €.

Equity grew substantially by 28% to 12,4 Mio. € in the year 2022. The increase in provisions is driven by provisions for taxes and for open invoices mainly in connection with the refinancing that took place end of November 2022.

The liabilities remained in total almost flat (+0,8 Mio. €). While trade accounts payables (net of financial lease) increased in line with higher turnover by 6,1 Mio. €, account overdraft usage reduced by 3,3 Mio. € to 0,0 Mio. € and financial lease obligations from 4,3 Mio. € by 1,7 Mio. € down to 2,6 Mio. €.

The volume of the debt financing remained more or less flat but changed structurally significantly. End of November 2022 a Nordic Bond with a volume of 35 Mio. € and a term of four years was successfully placed. In addition, a subordinated, unsecured loan with an international debt fund in the amount of 15 Mio. € arranged. The previously existing long term debt financing, which was about to run out by 30th of June 2023, was replaced through this new financing structure.

Financial indebtedness at 31st of December 2022 according to the bond terms is 45,0 Mio. € and net interest bearing debt 30,9 Mio. €. Taking into account an EBITDA of 20,0 Mio. € (that according to bond terms excludes extraordinary items of -0,7 Mio. € in total) leverage is 1,5, which is far below the maintenance covenant of 4,0.

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Cashflow Statement

The increase of the operating cashflow is driven by the higher EBITDA. The additional working capital required for the higher sales volume however reduces this positive effect. In total, operating cashflow reached 16,4 Mio. €, which is an increase by 7,2 Mio. € or 79%.

The invest cash flow shows a positive balance of 0,8 Mio. €. While the invest for machinery increased in line with the increasing business volume, the substantial cash inflow primarily from the sale and lease transaction for the building in Belusa was higher than the invest cash out.

The financing cashflow reflects the successful refinancing and a reduced usage of overdraft and leasing arrangements. Interest payments have increased compared to 2021.

Outlook

Taking into account a strong order book in the magnitude of about 800 Mio. € for the next five years, the Booster group expects further strong top line growth by more than 10% in the year 2023. The bottom line is expected to improve accordingly, despite a continuing high price level of material, electricity and other supplies.

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Profit and Loss Statement (EUR)	2022	2021
	(unaudited)	(audited)
Revenue	156.153.063,09	129.392.253,31
Changes in selfmade goods	1.678.028,40	1.901.986,12
Output	157.831.091,49	131.294.239,43
Internally produced and capitalised assets	194.548,94	410.696,76
Other income	4.111.535,45	4.692.428,66
Raw material, consumables and services	-74.613.455,07	-64.716.701,23
Gross Margin	87.523.720,81	71.680.663,62
Employee benefits cost	-33.679.862,50	-28.014.205,69
Other operating expenses (OPEX)	-33.918.900,84	-25.394.789,49
Net FX-Effect	-483.241,05	-437.313,23
Other taxes	-97.963,46	-341.928,42
EBITDA	19.343.752,96	17.492.426,79
Depreciation on tangible assets	-7.455.523,73	-6.840.901,63
Amortisation on intangible assets	-1.260.290,05	-4.264.852,75
Operating Income (EBIT)	10.627.939,18	6.386.672,41
Financial result	-5.094.120,30	-4.806.704,90
Profit or loss before tax	5.533.818,88	1.579.967,51
Taxes on income	-3.955.527,07	-2.673.989,29
Net income / Net loss	1.578.291,81	-1.094.021,78
Non-controlling interests	-110.382,03	-6.262,19
Net income / Net loss for the year	1.467.909,78	-1.100.283,97

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Balance (EUR)	2022 (unaudited)	2021 (audited)
Assets		
A. Non-current assets	41.121.776,70	48.186.207,63
I. Intangible assets	4.434.622,19	4.623.364,99
II. Tangible assets	36.685.123,43	43.560.811,56
Land and buildings	2.255.325,90	9.897.849,90
Technical equipment and machinery	29.914.437,85	28.538.865,58
Other equipment	2.993.592,56	2.718.683,45
CIP and prepayments of fixed assets	1.521.767,12	2.405.412,63
III. Financial assets	2.031,08	2.031,08
B. Current assets	65.859.243,14	49.118.083,75
I. Inventories	28.834.300,76	25.546.626,56
II. Receivables and other assets	22.866.816,45	16.242.083,76
Trade accounts receivable	22.410.814,96	18.673.111,78
Liabilities of Factoring Off-Balance	-5.975.455,26	-5.652.392,68
Receivables of Factoring	902.161,39	871.892,30
Prepayments on taxes on income	66.908,93	
Other accounts receivable and assets	5.462.386,43	2.349.472,36
III. Cash and cash equivalents	14.158.125,93	7.329.373,43
C. Deferred expenses	-509.253,99	596.295,34
D. Deferred tax assets	1.238.409,33	2.006.025,12
Total assets	107.710.175,18	99.906.611,84

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Balance (EUR)	2022 (unaudited)	2021 (audited)
Equity and Liabilities		
A. Equity capital	12.361.823,28	9.676.655,53
I. Subscribed Capital	39.940,00	39.940,00
II. Purchase of capital stock	-644,00	-644,00
III. Capital reserves	73.770.389,26	73.770.389,26
IV. Currency translation	495.042,75	-799.010,28
V. Balance sheet profit/loss	-61.953.481,01	-63.234.213,70
VI. Minority interest	10.576,28	-99.805,75
B. Provisions	10.645.047,01	6.171.807,02
Provisions for taxes	4.456.482,83	2.079.820,06
Other provisions	6.188.564,18	4.091.986,96
C. Liabilities	84.370.813,71	83.526.772,53
I. Bonds	35.325.000,00	
Senior secured bonds	35.000.000,00	
Capitalized interest of Bonds	325.000,00	
II. Liabilities to banks	7.074.954,40	12.593.360,64
Bank Loans	7.073.308,77	9.257.205,32
Accrued interests on bank loans	1.645,63	
Current account overdraft		3.336.155,32
III. Long term Investment loans	15.213.133,33	48.161.798,64
Long term Investment loans	15.000.000,00	36.000.000,00
Capitalized interest of Investment loans	213.133,33	12.161.798,64
IV. Trade accounts payable	23.933.027,09	19.501.257,69
Trade accounts payable	21.318.431,96	15.245.409,22
Trade accounts payable – Fin. Lease	2.614.595,13	4.255.848,47
VI. Other liabilities	2.824.698,89	3.270.355,56
Liabilities of Factoring On-Balance		655.913,29
Social security liabilities	321.253,63	317.964,91
Tax liabilities	1.097.805,21	742.128,54
Other liabilities	1.405.640,05	1.554.348,82
D. Deferred income	28.004,56	45.957,00
E. Deferred tax liabilities	304.486,62	485.419,76
Total equity and liabilities	107.710.175,18	99.906.611,84

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Cashflow Statement (kEUR)	2022	2021
	(unaudited)	(audited)
Profit/loss for the period (consolidated net income/net loss for the financial year including minority interests)	1.468	-1.094
Depreciation and amortization expenses	8.716	11.106
Increase/decrease of provisions	2.097	-1.051
Other non-cash expenses/income	0	-57
Increase in inventories, trade receivables and other assets not attributable to investing or financing activities	-8.039	-5.300
Increase/decrease in trade payables and other liabilities not related to investing or financing activities	5.884	-555
Profit from the disposal of fixed assets	-2.402	-713
Interest expenses / interest income	5.094	4.807
Income tax expense	3.956	2.674
Income tax payments	-1.579	-1.237
Changes in balance sheet items due to exchange rate movements	1.217	606
Cash flow from operating activities	16.412	9.186
Proceeds from disposal of intangible fixed assets	43	580
Payments to acquire intangible fixed assets	-237	-461
Proceeds from disposal of tangible fixed assets	9.808	5.974
Payments to acquire tangible fixed assets	-8.864	-7.271
Income from Interest	4	29
Cash flow from investing activities	754	-1.149
Cash payments of bonds and borrowings	50.847	1.760
Cash repayments of bonds and borrowings	-54.649	-1.701
Net payment of liabilities from finance leases	-1.641	-2.609
Interest paid	-4.894	-3.836
Cash flow from financing activities	-10.337	-6.386
Net changes in cash funds	6.829	1.651
Effect on cash funds of changes in the basis of consolidation	7	18
Cash funds at the beginning of period	7.322	5.653
Cash funds at end of period	14.158	7.322