

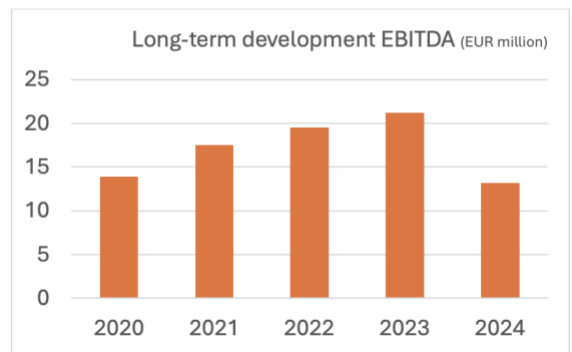
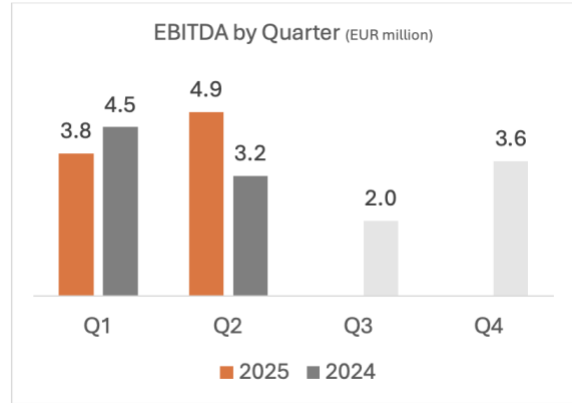
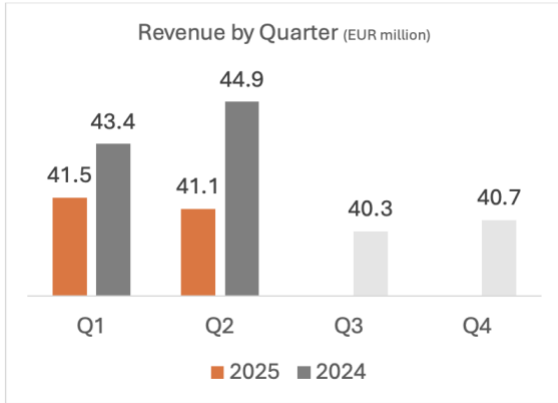
FINANCIAL GROUP REPORT H1 2025 (UNAUDITED)



Booster Precision Components GmbH
Group Financial Report January to June 2025

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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 Schwanewede, 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

According to current figures from the International Monetary Fund (IMF), **global economic output** is expected to grow by 3.0% in 2025 (compared to 3.3 % in 2024), representing a slight upward revision from the April 2025 World Economic Outlook. This improved outlook reflects front-loaded economic activity in anticipation of potential trade barriers, currently lower effective US tariff rates than initially feared, more favourable financing conditions and fiscal programmes in several major economies. Global inflation is expected to fall further to 4.2% (2024: 5.6%). Downside risks arise primarily from potential escalation in global trade tensions, geopolitical uncertainties and rising long-term interest rates.

The **Euro Area** is forecast to achieve moderate increase in gross domestic product (GDP) of 1.0% (2024: 0.9%) in 2025, while a near stagnation, with growth of just 0.1% (2024: -0.2%) is forecast for **Germany** (IMF: World Economic Outlook, July 2025). After a strong start to 2025 with robust industrial production and higher exports in **Germany**, the second quarter saw a slowdown due to declining investments, despite rising consumer spending, according to the German Federal Statistical Office (DESTATIS) (DESTATIS: Press releases, 23 May 2025 and 30 July 2025).

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US economic growth is projected to slow to 1.9% (2024: 2.8%). Although lower trade barriers, easing financial market conditions and fiscal stimulus measures will provide near-term benefits, these effects will be overshadowed by slowing macroeconomic momentum. **China** is expected to achieve GDP growth of 4.8% in 2025 (compared to 5.0% in 2024). While the temporary easing of certain US trade tariffs provided relief to bilateral trade relations, this was insufficient to offset broader economic headwinds leading to a moderate downturn (IMF: World Economic Outlook, July 2025).

According to the latest status report from the German Association of the Automotive Industry (VDA), **global demand** for passenger cars remained weak overall in the first half of 2025. Although some markets – led by China and Japan – recorded noticeable growth, sales weakened or stagnated in many other regions.

In **Europe (EU, EFTA & UK)**, around 6.8 million new passenger cars were registered between January and June, representing a slight decline of 0.9% compared with the previous year. Among the five largest individual markets, Spain and the United Kingdom showed positive development, while France, Italy and Germany recorded declines. New registrations in **Germany** went down by 4.7% year-on-year to around 1.4 million units.

In the **USA**, around 8.1 million units of light vehicles (passenger cars and light trucks) were sold – an increase by 3.9% compared to the previous year. **China** continued its growth path, selling around 10.9 million vehicles, an increase by 10.8% compared to the same period last year (VDA Status Report: Development of International Automotive Markets, July 2025).

Earnings Position of the Group

Q2 2025

Revenues decreased by 8.5% to EUR 41.1 million in the second quarter of 2025, compared to EUR 44.9 million in the prior-year period.

Other income more than doubled from EUR 0.3 million to EUR 0.9 million in the second quarter of 2025. This development was primarily driven by the positive currency effect of EUR 0.5 million.

Employee benefits costs decreased slightly from EUR 9.8 million in the previous year's reporting period to EUR 9.6 million in the second quarter of 2025. The reduction was in line with the lower revenue level, so that the employee cost ratio in relation to output remained stable at 23.1%.

Other operating expenses (OPEX) went down by 26.0% to EUR 6.0 million (Q2 2024: EUR 8.1 million), resulting in a decrease of the OPEX ratio to 14.4% (Q2 2024: 19.1 %). This reflects lower production volumes and continued cost reduction measures, while the prior year figures were also impacted by non-recurring costs of EUR 0.6 million related to the bond tap in May 2024.

EBITDA showed a positive development compared to the same quarter of the previous year, reaching EUR 4.9 million (Q2 2024: EUR 3.2 million), with the EBITDA margin improving from 7.5% to 11.6%.

BOOSTER's earnings before interest and taxes (EBIT) increased by EUR 1.5 million to EUR 2.5 million, representing growth of 146%, in the reporting period.

The Group recorded a lower net loss of EUR 0.3 million versus EUR 1.6 in the prior-year quarter.

H1 2025

Market demand in the first six months of 2025 resulted in a 6.5% decline in revenues totaling EUR 82.6 million (H1 2024: EUR 88.3 million). The reduced demand reflects the current subdued sector performance.

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Other income increased from EUR 0.8 million to EUR 1.3 million, driven by enhanced positive currency effects as well as one-off income related to the taxation of non-cash employee benefits.

In the first six months of 2025, employee benefit costs decreased slightly by 3.5% to EUR 19.2 million in the first half of 2025 (H1 2024: EUR 19.9 million). However, the employee benefit cost ratio in relation to output rose to 23.2% (H1 2024: 22.7%).

Other operating expenses (OPEX) decreased significantly to EUR 12.6 million (H1 2024: EUR 15.3 million), primarily resulting from lower production volumes and cost reduction measures. The prior year's OPEX were also burdened by non-recurring costs of EUR 0.6 million for the bond tap in May 2024. OPEX cost ratio therefore improved from 17.4% in the first half of the previous year to 15.2%.

Booster achieved a 12.3% increase in EBITDA amounting to EUR 8.6 million in the reporting period (H1 2024: EUR 7.7 million), with the EBITDA ratio rising accordingly to 10.4% (H1 2024: 8.8%).

Earnings before interest and taxes (EBIT) reached EUR 3.9 million in the first six months of 2025 compared to EUR 3.4 million in the previous year. Group net income showed an improvement at EUR -0.9 million (H1 2024: EUR -2.0 million).

Balance Sheet

The BOOSTER Group's total assets amounted to EUR 98.1 million as of 30 June 2025, compared to EUR 108.9 million at the previous year-end.

Fixed assets declined to EUR 37.7 million (31 December 2024: EUR 42.0 million), while current assets decreased to EUR 59.5 million compared to EUR 66.3 million at year-end, representing a decline of approximately 10% in both categories. Technical equipment and machinery decreased from EUR 31.8 to EUR 27.6 million as a result of scheduled depreciations. The decrease in cash and cash equivalents from EUR 13.6 million to EUR 9.3 million reflects the amortization of bond payments and related interest payments.

Equity capital was impacted by the first half-year net loss, leading to a decline of EUR 2.1 million to EUR 6.1 million. Consequently, the equity ratio decreased to 6.2%.

Provisions went up from EUR 6.3 million at year-end 2024 to EUR 7.0 million as of 30 June 2025, driven by higher tax provisions (EUR 0.2 million) and other provisions (EUR 0.5 million).

Total liabilities decreased by EUR 9.5 million to a total value of EUR 85.0 million compared to the prior year-end. Liabilities to banks were reduced by nearly half to EUR 6.8 million, while the bonds decreased by EUR 2.5 million as scheduled to EUR 44.0 million.

The financial indebtedness as of 30 June 2025 as defined in the bond terms amounts to EUR 56.6 million, with net interest-bearing debt to EUR 47.3 million. Considering LTM-Adjusted-EBITDA of EUR 15.4 million the leverage is 3.1, which is below the maintenance covenant of 3.5.

Cash Flow Statement

Cash flow from operating activities improved to EUR 8.8 million in the first half of 2025, compared to EUR 5.0 million in the prior-year period. This positive development was mainly driven by the EBITDA improvements and the disciplined working capital optimization efforts.

Cash flow from investing activities improved to EUR -0.4 million, EUR -3.2 million in the prior-year period. This development was primarily driven by lower capital expenditures, as the company had sufficient production capacity in place.

In the first six months of 2025, financing cash flow was clearly negative at EUR -12.6 million, compared to EUR -7.3 million in the prior year. This reflects BOOSTER's increased debt reduction

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efforts, with higher bond repayments of EUR -2.5 million and repayments of financial loans totaling EUR -4.5 million, while interest payments decreased to EUR -3.4 million (H1 2024: EUR 7.0 million). In contrast, the prior-year period saw proceeds from the issuance of bonds and the outflows from the repayment of the long term investment loans almost offsetting each other.

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 are 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 company's business performance in the first six months of 2025, BOOSTER's management expects sales revenues to be slightly below the prior year level (2024: EUR 169.3 million) and EBITDA to increase by approximately 20% in 2025 (2024 EBITDA: EUR 13.3 million). It 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.

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Group Profit and Loss Statement, April to June (Q2) 2025

	Q2 2025		Q2 2024		Deviation	
	in	% of	in	% of	in	%
	kEUR	output	kEUR	output	kEUR	change
	(unaudited)		(unaudited)			
Revenue (Net sales)	41,117	98.4	44,920	105.6	(3,803)	(8.5)
Changes in self-produced goods	652	1.6	(2,365)	(5.6)	3,017	127.6
Output	41,769	100.0	42,555	100.0	(786)	(1.8)
Self-produced and capitalised assets	459	1.1	-	0.0	459	
Other income	877	2.1	331	0.8	546	165.3
<i>thereof - Income from FX-Effect</i>	489		103		387	376.7
Raw material, consumables and services	(22,515)	(53.9)	(21,702)	(51.0)	(813)	(3.7)
Employee benefits cost	(9,643)	(23.1)	(9,817)	(23.1)	173	1.8
Other operating expenses (OPEX)	(6,015)	(14.4)	(8,126)	(19.1)	2,111	26.0
<i>thereof - Expense from FX-Effect</i>	(438)		(495)		57	11.5
Other taxes	(81)	(0.2)	(54)	(0.1)	(27)	(49.6)
EBITDA	4,852	11.6	3,187	7.5	1,665	52.2
Depreciation on tangible assets	(2,028)	(4.9)	(1,818)	(4.3)	(209)	(11.5)
EBITA	2,824	6.8	1,369	3.2	1,455	106.4
Amortisation on intangible assets	(329)	(0.8)	(354)	(0.8)	25	7.0
Operating Income (EBIT)	2,495	6.0	1,014	2.4	1,480	145.9
Financial result	(2,375)	(5.7)	(2,230)	(5.2)	(145)	(6.5)
Taxes on income	(464)	(1.1)	(403)	(0.9)	(61)	(15.2)
Net profit	(344)	(0.8)	(1,618)	(3.8)	1,274	78.7

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Group Profit and Loss Statement, H1 2025

	H1 2025		H1 2024		Deviation	
	in kEUR	% of output	in kEUR	% of output	in kEUR	% change
	(unaudited)		(unaudited)			
Revenue (Net sales)	82,598	1.0	88,321	1.0	(5,723)	(6.5)
Changes in self-produced goods	228	0.0	(580)	(0.0)	808	139.4
Output	82,826		87,741		(4,915)	(5.6)
Self-produced and capitalised assets	612	0.7	-	0.0	612	-
Other income	1,286	1.6	772	0.9	515	66.7
<i>thereof - Income from FX-Effect</i>	<i>702</i>		<i>525</i>		<i>176</i>	<i>33.6</i>
Raw material, consumables and services	(44,238)	(53.4)	(45,624)	(52.0)	1,386	3.0
Employee benefits cost	(19,179)	(23.2)	(19,876)	(22.7)	697	3.5
Other operating expenses (OPEX)	(12,571)	(15.2)	(15,255)	(17.4)	2,684	17.6
<i>thereof - Expense from FX-Effect</i>	<i>(864)</i>		<i>(911)</i>		<i>47</i>	<i>5.1</i>
Other taxes	(117)	(0.1)	(80)	(0.1)	(37)	(45.9)
EBITDA	8,619	10.4	7,678	8.8	941	12.3
Depreciation on tangible assets	(4,047)	(4.9)	(3,660)	(4.2)	(388)	(10.6)
EBITA	4,572	5.5	4,018	4.6	554	13.8
Amortisation on intangible assets	(667)	(0.8)	(572)	(0.7)	(95)	(16.5)
Operating Income (EBIT)	3,905	4.7	3,446	3.9	459	13.3
Financial result	(3,818)	(4.6)	(4,202)	(4.8)	384	9.1
Taxes on income	(958)	(1.2)	(1,209)	(1.4)	251	20.8
Net profit	(871)	(1.1)	(1,965)	(2.2)	1,095	55.7

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Group Balance Sheet I

ASSETS (in kEUR)	06-30-2025 (unaudited)	12-31-2024 (audited)
A. Fixed Assets	37,716	41,969
I. Intangible assets	5,509	5,155
II. Tangible assets	32,355	34,720
Land and buildings	1,026	-
Technical equipment and machinery	27,627	31,789
Other equipment	2,847	2,785
CIP and prepayments of Fixed assets	855	147
III. Financial assets	2	2
B. Current assets	59,500	66,303
I. Inventories	26,152	25,023
II. Receivables and other assets	24,033	27,675
Trade accounts receivable	24,825	26,640
Liabilities of Factoring Off-Balance	(9,720)	(6,296)
Receivables of Factoring	4,827	2,420
Prepayments on taxes on income	10	113
Other accounts receivable and assets	4,090	4,797
III. Cash and cash equivalents	9,315	13,605
C. Deferred expenses	632	352
D. Deferred tax assets	275	295
	98,123	108,918

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Group Balance Sheet II

EQUITY and LIABILITIES (in kEUR)	06-30-2025 (unaudited)	12-31-2024 (audited)
A. Equity capital	6,053	8,117
I. Subscribed Capital	39	39
II. Capital reserves	74,187	73,666
III. Equity differences from exchange rates	(1,910)	(280)
IV. Income reserves	6,724	524
V. Balance sheet profit/loss	(72,988)	(65,832)
B. Provisions	7,033	6,254
Provisions for pensions	308	-
Provisions for taxes	4,085	3,687
Other provisions	2,640	2,567
C. Liabilities	84,698	94,195
I. Bonds	44,000	46,500
Senior secured bonds	44,000	46,500
II. Liabilities to banks	6,810	12,767
Bank loans	4,608	9,010
Accrued interests on bank loans	1	1
Current account overdraft	2,201	3,756
III. Trade accounts payable	31,093	32,581
Trade accounts payable	25,283	26,100
Trade accounts payable -Fin. Lease	5,810	6,481
IV. Other liabilities	2,794	2,347
Social security liabilities	420	307
Tax liabilities	669	550
Other liabilities	1,705	1,490
D. Deferred income	(10)	-
E. Deferred tax liabilities	350	351
	98,123	108,918

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Group Cash Flow Statement, H1 2025

Cash flow statement (in kEUR)	H1 2025 (unaudited)	H1 2024 (unaudited)
Net result for the period (consolidated net income/net loss including minority interests)	(871)	(1,965)
Depreciation, amortisation and write-downs of non-current assets	4,714	4,232
Increase/decrease of provisions	778	885
Other non-cash income/expenses	(290)	(100)
Increase/decrease in inventories, trade account receivables and other assets not attributable to investing or financing activities	2,410	(1,309)
Increase/decrease in trade account payables and other liabilities not attributable to investing or financing activities	(434)	205
Profit/loss on disposal of non-current assets	(23)	(406)
Interest expenses/interest income	3,434	4,202
Income tax expenses	-	1,209
Income tax payments	241	(1,547)
Effect of exchange rate movements on balance sheet items	(1,194)	(384)
Cash flow from operating activities	8,766	5,020
Proceeds from disposal of intangible assets	(1,021)	-
Cash outflows for investments in intangible assets	82	(600)
Proceeds from disposal of tangible fixed assets	501	-
Cash outflows for investments in tangible fixed assets	-	(2,842)
Interest received	3	230
Cash flow from investing activities	(435)	(3,212)
Proceeds from the issuance and repayments of bonds	(2,556)	15,500
Proceeds from the raising and repayments of financial loans	(5,957)	(15,362)
Outgoing/incoming payments related to financial lease	(670)	(442)
Interest paid	(3,438)	(6,983)
Cash flow from financing activities	(12,621)	(7,286)
Cash relevant changes of cash funds	(4,290)	(5,477)
Effect on cash funds from exchange rate movements and revaluations	-	385
Cash funds at the beginning of period	13,605	11,172
Cash funds at the end of period	9,315	6,080